

# Nailing New Labor Models

Exploring Sectoral Boards and High Road Training Partnerships in the Nail Salon Sector



CALIFORNIA  
HEALTHY NAIL SALON  
COLLABORATIVE

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**UCLA** Labor Center

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# About the Organizations



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## About the California Healthy Nail Salon Collaborative

The California Healthy Nail Salon Collaborative's mission is to mobilize the nail salon workforce to transform the health, safety, and working conditions of the nail salon industry to build a healthy, sustainable, and equitable community. Through outreach and education, nail salon workers and owners build their knowledge and skills on health, safety, and workplace rights. We also provide leadership development and believe in organizing to transform communities, organizations and individuals. For more information, see [www.cahealthynailsalons.org](http://www.cahealthynailsalons.org).

## UCLA Labor Center

### About the UCLA Labor Center

The UCLA Labor Center believes that a public university belongs to the people and should advance quality education and employment for all. We bring together workers, students, faculty, and policymakers to address critical issues facing working people today. Our research, education, and policy work lifts industry standards, creates jobs that are good for communities, and strengthens immigrant rights, especially for students and youth. For more information, see [www.labor.ucla.edu](http://www.labor.ucla.edu).



## Glossary

### *High Road Training Partnerships*

- High road: Labor policies or practices that jointly uphold and advance the social values of shared prosperity, environmental sustainability, and decision-making.
- Partnership: A collective of industry leaders, including employers, workers, and labor representatives—alongside representatives from dedicated convening organizations—who are committed to sustained involvement in collaborative problem-solving.
- Industry leaders: Employers, workers, and labor representatives that make up an H RTP. Each contributes specialized knowledge and expertise that inform industry solutions.
- Equity: The condition in which all workers have access to quality jobs, wealth-generating opportunities, and safe and healthy workplaces, regardless of race, ethnicity, gender, sexual orientation, religious beliefs, or ability, and in which the benefits of gains in productivity are widely distributed to workers.
- Job quality: A commitment to jobs that provide a family-sustaining wage, health benefits, a pension, worker advancement opportunities, a safety net, and collective worker input; these jobs are stable, have predictable schedules, and are safe.
- Climate resistance: The vital and immediate need for developing economically and environmentally resilient communities by prioritizing the reduction of greenhouse gas emissions and improving conditions for workers.



## Sectoral Bargaining

- Sectoral labor standards: Baseline measures or levels across a sector that meet wages and labor conditions according to worker livelihood, health, and safety needs.
- Sector: A group of companies that share the same business activity, product, or service; for example, nail salons in California.
- Bargaining: A process that includes bringing workers and employers to the table to negotiate for improved workplace conditions and other necessities. Labor unions have long engaged in bargaining to lift up worker standards through contracts and agreements.
- Labor standards board: A committee of workers, employers, and a government or public representative who come together for the purpose of setting improved conditions in the workplace, and include wages, scheduling, time off, health insurance, and other concerns.
- Wage standards board: A committee of workers, employers, and a government or public representative who come together for the purpose of setting a minimum pay standard across a sector.



## Executive Summary

Nail salons are a multi-billion dollar industry in the United States, and are primarily owned and staffed by immigrants and refugees. The sector is a small business one; the majority of salons having five or less employees. Low wages, wage theft, and misclassification, coupled with health and safety issues, remain prevalent in the industry. To address these dynamics, labor standards need to be lifted across the sector as a whole, rather than on a store-by-store basis.

*Nailing New Labor Models* explores two approaches, High Road Training Partnerships (HRTPs) and sectoral boards, to addressing workplace conditions, job quality, and climate resilience in sectors where unionization and/or industry-wide changes are difficult. Through four in-depth interviews with expert community and union partners who have implemented these models, our report considers the opportunities and challenges in implementing these models for nail salon worker organizing and advocacy. We further assess their applicability and feasibility for the nail salon sector in California and Massachusetts through four focus groups with nail salon workers and owners.

The report also functions as a “how to” for nail salon worker advocacy organizations: it examines pathways forward and prior lessons learned in order to develop partnerships among high road employers, worker organizations, and other industry stakeholders. Ultimately, this report weighs what partnerships and/or sectoral boards can be forged to build a sustainable and equitable nail salon industry.



## High Road Training Partnerships (HRTPs)

HRTPs are training partnerships composed of industry leaders that create “high road” strategies that encompass equity, job quality, and climate resilience.

For the nail salon sector, experts in union and worker center HRTPs assessed the following as best practices:

1. **HRTPs have inclusive leadership:** HRTPs understand that workers are invaluable members of the partnerships, and their industry expertise is valued as much as employer knowledge. Given this collaborative approach, employers, workers, labor and worker representatives, and community members all benefit from industry and system-wide changes.
2. **HRTPs are worker-centered:** In addition to changing systems, the focus of HRTPs is on empowering workers. Engaging workers entails grasping their personal experiences, urgent needs, and holistic priorities. A successful model engages workers from the ground up, incorporates support services, and prioritizes worker needs in aligning programming and training.
3. **H RTP interventions advance equity and job quality:** HRTPs acknowledge and aim to address race and gender disparities when developing worker training and other related programs. They analyze precisely who has a path to upward mobility and benefits beyond wages, and who does not. They also assess the impact that systemic barriers, such as occupational segregation, have on marginalized communities.

In focus groups, workers and owners provided the following feedback on the applicability and need for HRTPs in the sector:

1. **Identify industry leadership:**
  - a. Workers and owners were concerned overall about the lack of leadership figures in the industry.
  - b. Many felt it was important to have a facilitator, a third-party body who is experienced, knowledgeable, and with strong communication skills, and who is able to connect with workers and owners alike to move the partnership forward.
  - c. Workers pointed out the ability of worker advocacy organizations to connect with different stakeholders.
  - d. They also noted other talented workers—with design, customer, and language skills—and those with social media influence as potential leaders.

## 2. **Form a partnership with multiple stakeholders:**

- a. Owners and workers agreed that decisions taken by this body/partnership could be significant, as they would represent the unified voice of workers and owners.
- b. Workers also noted that a partnership could help establish rules and practices that would apply to all salons.
- c. However, some reservations remain, as some workers ponder owners' openness to implement workers' suggestions, while others were skeptical about working side by side with others when there are often competing agendas.

## 4. **Create workforce development programs and promoting industry growth:**

- a. Owners and workers see the need to stay updated on new techniques and products, technology, innovations, and regulations. They also see the potential for growth and increased labor demand.
- b. Both owners and workers shared a concern on the lack of existing avenues for worker upskilling. Current training often happens on the job, through other workers or owners, social media and videos.
- c. Workers also identified some workers' low levels of English proficiency as a barrier for training and career advancement.



## **Sectoral Bargaining through Wage/Labor Boards**

Sectoral bargaining brings together workers, employers, and other stakeholders who develop labor standards through a policy approach that addresses wage floors, workplace policies, and/or benefits and applies it to a specific industry or sector.

For the nail salon sector, experts in union and worker center sectoral or wage boards assessed the following as best practices:

- 1. **Wage boards and labor boards bring together a range of representatives:** Membership includes workers or worker representatives, employers or an employer representative, and stakeholders, which include community or government officials. A strong wage board will consider those with knowledge of the industry and those with shared values. It will be necessary to build in board training and infrastructure support for new members, and language accessibility and worker compensation to support worker participation.

2. **Wage boards and labor boards can engage the broader community:** Wage boards have opportunities for engagement through hearings, which give workers and other affected people space to provide written or oral testimonies for recommendations. Labor boards can hold public meetings with opportunity for public comment, and collaborate via subcommittee. The board should conduct surveys, focus groups, and listening sessions with workers and employers to shape its priorities and plan. Community partners can also support the vetting of worker and employer board members through their membership bases.
3. **Wage boards and labor boards can promote consensus building:** As quasi-governmental structures, these boards or councils demonstrate different methods of decision-making. Though workers and employers may not initially agree on industry priorities, consensus-building allows for participatory processes for goals and alignment of vision, as well as a space for negotiation. Funding should be built into the recommendation. Accountability should include timelines for responses, implementation, and tracking and evaluation. The board can be a power-building and leadership-building avenue, particularly in building worker leadership. Simply having a board for a sector can build visibility for both the sector and the labor issues it addresses.

In focus groups, workers and owners provided the following feedback on the applicability and need for labor and wage boards in the sector:

1. **Focus committee work to change industry issues:**
  - a. Owners wanted to see safer nail and hair products and cosmetics, and called for healthier nail salons. Others named issues such as persistent salon inspectors, the failure to consider a common pay rate for pedicures or manicures, and ongoing language barriers.
  - b. Workers repeated interest in upgrading the nail salon. They also wanted respect and trust from owners.
  - c. Both workers and owners were interested in setting a price minimum, which could create a baseline price at salons for certain services.
2. **Form a committee or council:**
  - a. Salon owners found that having a membership council or group would be beneficial and could focus on addressing ongoing issues in the industry. Some owners felt uncertain about what it would take to participate.
  - b. Workers ranged in their optimism for forming a committee or council. A few thought participation in a council would allow them to become stronger in their effort to demand a range of benefits. A few workers did think unity would be difficult. There was also a fear

of retaliation that made them hesitant to participate in a council.


### 3. **Concerns about power dynamics:**

- a. Workers considered power dynamics inherent in current labor- and worker-related decision-making. They specifically said that owners hold the power for decision-making and change. A few workers thought that even though forming a council would be important, they placed the onus on the owner—would they accept the recommendations?


## Recommendations

While HRTPs and sectoral boards may be state-specific due to legislation or state funding, there are possibilities for aspects of them to be adopted differently in California and Massachusetts, as well as across the country. They can also be adapted to work in other industries with similar characteristics, especially those comprised of large numbers of small businesses and/or those with low levels of unionization.

**California:** Both approaches could benefit the nail salon industry in California.

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- HRTPs: HRTPs have strong funding and infrastructure in order to create a working partnership between high road nail salon employers and workers.
  - Sectoral Boards: A labor standards board could offer a pathway to impact pricing to support wages and/or help raise wages, alongside other opportunities to advocate for benefits.

**Massachusetts:** In this state, only one approach, sectoral bargaining, seems feasible.

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- HRTPs: There is currently no statewide initiative for HRTPs, including both the infrastructure and resources to facilitate the partnerships and training.
  - Sectoral Boards: A labor standards board could offer a pathway to impact pricing to support wages and/or help raise wages, alongside offering other opportunities to advocate for benefits.

Overall, in California and Massachusetts, both models would require more community-based discussion in the form of convenings, engagement with policymakers, and collaboration with nail salons and other worker organizations that have similar efforts underway.

We also recommend the following to strengthen the nail salon sector and pave the ways for these approaches to work:



1

**Support Workers and the Nail Salon Workforce:** Through training programs and pathways for workers to increase workplace and life skills and provide opportunities for wage increases. It is also important to safeguard worker's rights by protecting minimum wage, overtime pay, paid sick leave, and meal breaks through enforcement of labor laws, and curtailing misclassification.

2

**Develop High Road Nail Salon Businesses:** By creating training programs on how salon owners can develop high road infrastructure, and how to run sustainable, healthy, and just businesses. Create industry-specific programs and grants for the nail salon sector recovery planning. We also recommend ongoing consumer education campaigns so that the public learns about the importance of fair prices for nail salon services.

3

**Continued Research:** For HRTPs, continue to understand how a model could be deployed for organizations that are not a union and for an industry without large companies or chains. For sectoral boards, assess how the new Fast Food Councils in California and the Nail Salon Minimum Standards Council in New York will work. To understand how to better scale these approaches, assess whether a regional partnership is better to start an HRTTP, and how an HRTTP could build off existing Healthy Nail Salon Recognition programs. For sectoral bargaining, research the possibility of either local or state-wide scale and scope of wage councils based on the state, and which would best benefit the nail salon sector.



# I. Introduction

Nail salons are a multi-billion dollar industry in the United States, primarily owned and staffed by immigrants and refugees. The sector is also a small business one: the majority of salons have five or fewer employees.<sup>1</sup> The nail salon workforce is composed of Vietnamese, Korean, Chinese, Nepali, Tibetan, and Latinx immigrants and refugees. As of 2018, 76% of workers were Asian, 79% foreign-born, and 81% female.<sup>2</sup> While the workforce continues to shape beauty service work, it is also key to today's service economy locally and nationally, and therefore subject to its larger market forces and labor issues.

Existing concerns of low wages, wage theft, and misclassification, coupled with issues of health and safety, are prevalent across the nail salon sector. The lack of industry-wide chains and the small number of staff per salon represent only a few of many dynamics that complicate the conditions for workplace organizing. To address these dynamics, labor standards need to be lifted across the sector as a whole rather than on a store-by-store basis. Innovative and community-based approaches, while prioritizing the needs of manicurists and the uniqueness of the sector, is the clear way forward.

Building on the recommendations of the 2018 UCLA Labor Center report *Nail Files: A Study of Nail Salon Workers and Industry in the United States*, this report examines multi-pronged approaches to improve the industry by ensuring quality jobs and labor protections for nail salon workers. It also considers ways to support high-road businesses and employers. This report explores the feasibility and readiness for two emerging approaches: 1) High Road Training Partnerships (HRTPs) and 2) sectoral boards.

As the nail salon industry is mostly small, non-chain businesses, there are significant variations in labor standards by region and individual salon. We focus on two states, California and Massachusetts. California has the largest number of nail salon workers and salons in the country, with over 100,000 licensed manicurists in the state.<sup>3</sup> Massachusetts has over 1,500 nail salons with 17,000 licensed manicurists.<sup>4</sup>

Workers presently lack opportunities to become involved in decisions that impact the future of the salon industry, much less the decisions on whether they can control the conditions of their labor, such as the ability to move up in their jobs. The two models examined in this report, H RTP and sectoral bargaining, can be adapted as labor advocacy and organizing strategies for nail salons, but require distinct interventions and capacities for membership participation.

Ultimately, the goal is to create large-scale, industry-wide change, and thus transform the working and living conditions for thousands of nail salon workers. As nail salons recover from the COVID-19 pandemic, the industry is at a pivotal moment to reshape itself. It must not only adopt new practices to ensure the health and safety of workers and consumers, but also find new strategies and innovative workforce development systems that re-imagine just and sustainable forms of upward mobility for this workforce.

## **Lifting Labor Standards: A Sketch of H RTPs and Sectoral Boards**

Today's economic and political climate is optimal for fostering innovative models to raise standards in traditionally hard-to-organize industries. The two approaches we analyze in this study, H RTPs and sectoral bargaining, lift labor standards by including and amplifying workers in decision-making processes that affect their work experiences and conditions.

The first approach, H RTPs, develops industry-based, worker-centered training partnerships between employers, workers, and worker representatives on a long-term basis. These partnerships build workers' skills, while high road employers also devise workforce development solutions that advance equity, job quality, and climate resilience. With these principles in mind, this approach recognizes the intersection of the workplace, the needs of the community, and systemic inequity. It therefore takes a comprehensive, bottom-up approach as it remodels practices and norms, lifts industry standards, and improves systems.

The second approach, sectoral boards, brings workers, employers, and an external government or public representative together to set standards across an industry at a city or state level. Two types of boards, a wage board and a labor standards board, are convened by the state or local jurisdictions in order to set better working conditions. The board may or may not have legislative power and may only be able to provide recommendations for policy change.

Both strategies recognize the worker as a whole person, as one whose health, safety, and well-being are impacted by factors both within and outside of the workplace. Additionally, both strategies invite other stakeholders like industry leaders, policy makers, and even the public to participate in the process of changing workplace conditions, from attending regular meetings and delivering comments at hearings, to maneuvering and managing resources. As such, both models are dedicated to growing worker participation.

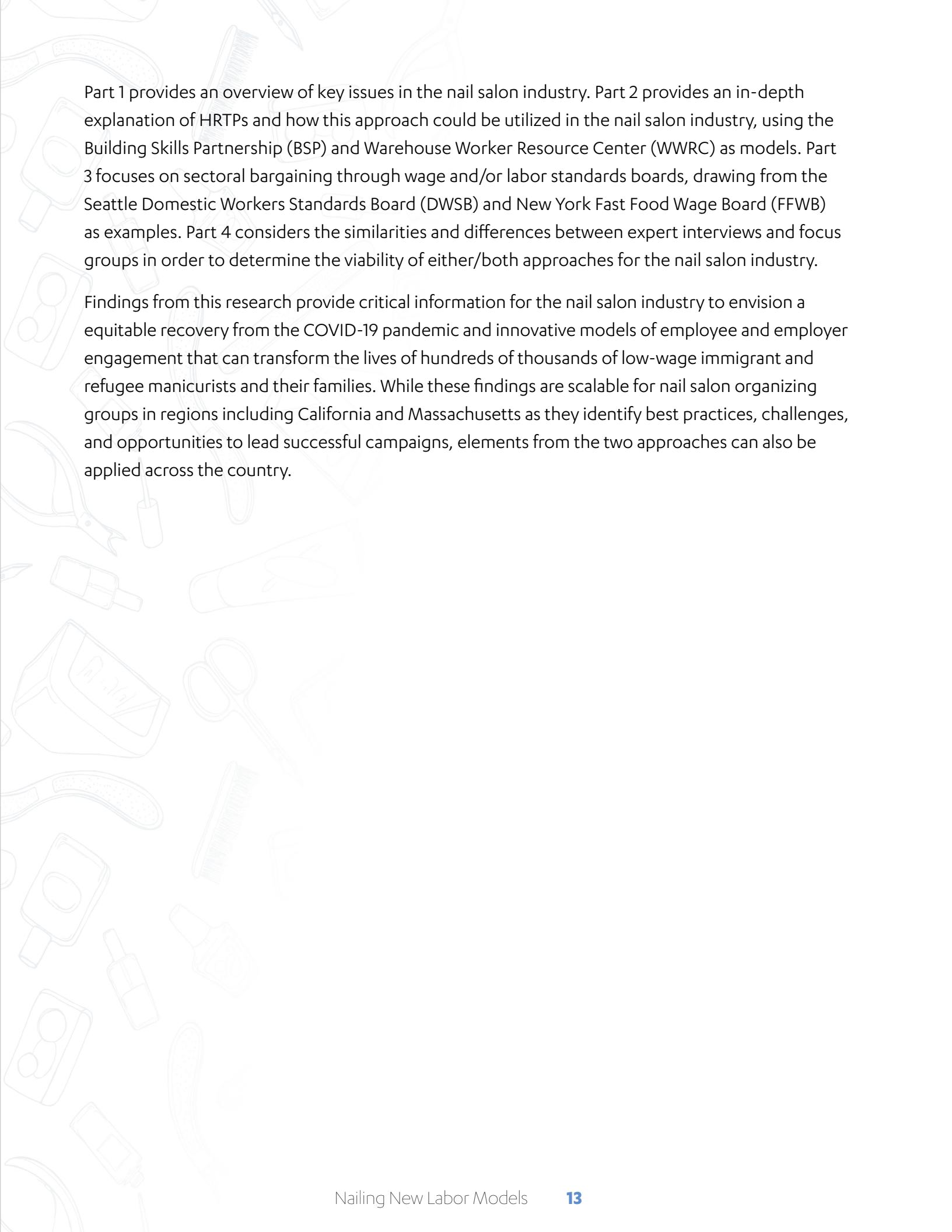
In 2022, both HRTPs and sectoral boards continued to gain momentum as models to change worker and industry standards. Two recent efforts to establish sectoral bargaining councils have taken root in the New York nail salon sector and in the California fast food industry, expanding the possibility of how wages, health, and safety will be determined between workers, employers, and government.<sup>5</sup> Additionally, while HRTPs originated as a \$10 million initiative in 2017, the state of California has since invested \$90 million more, resulting in a significant expansion of its projects, growing from eight to 25 HRTPs.<sup>6</sup>

Importantly, HRTPs and sectoral boards approaches have the potential to build worker power and contribute to a shift in more participatory cultures of labor and policy organizing. As these approaches provide opportunities to develop long-term dialogue and assess strategies, they create tools to raise standards between parties that otherwise typically leave workers out of the process. From short-term governmental avenues of assessing livable wages to more formal and permanent partnerships, workers and employers can equitably negotiate solutions to the changing landscape of work that impacts their nail salons.

## About this Study

This report uses qualitative methods to explore HRTPs and sectoral boards. We first examined existing literature on these approaches. In May and June 2022, we conducted four in-depth interviews with organizational experts who have experience implementing HRTPs in California and sectoral boards in different regions of the United States. These interviews offer insight into examples of HRTP and sectoral bargaining initiatives, worker centers, and unions across the county.

To explore and understand local conditions—factors, worker and employer interests, and fears—we also conducted four focus groups with nail salon workers and owners in California and two focus groups with workers in Massachusetts in August 2022. We use these findings throughout the report to understand attitudes toward implementing these approaches and potential strategies for adapting sector-wide approaches for workforce development and/or labor standards regulations.



Part 1 provides an overview of key issues in the nail salon industry. Part 2 provides an in-depth explanation of HRTPs and how this approach could be utilized in the nail salon industry, using the Building Skills Partnership (BSP) and Warehouse Worker Resource Center (WWRC) as models. Part 3 focuses on sectoral bargaining through wage and/or labor standards boards, drawing from the Seattle Domestic Workers Standards Board (DWSB) and New York Fast Food Wage Board (FFWB) as examples. Part 4 considers the similarities and differences between expert interviews and focus groups in order to determine the viability of either/both approaches for the nail salon industry.

Findings from this research provide critical information for the nail salon industry to envision a equitable recovery from the COVID-19 pandemic and innovative models of employee and employer engagement that can transform the lives of hundreds of thousands of low-wage immigrant and refugee manicurists and their families. While these findings are scalable for nail salon organizing groups in regions including California and Massachusetts as they identify best practices, challenges, and opportunities to lead successful campaigns, elements from the two approaches can also be applied across the country.



## II. Current Labor, Health, and Safety Concerns

Labor, health, and safety issues impact every aspect of the nail salon industry. All of these concerns have been exacerbated by the COVID-19 pandemic—as well as a rise in anti-Asian violence—in a way that has reshaped the industry for the near future. This section describes these issues and more, drawing from existing literature and focus groups with workers and owners in Boston and California. We describe these conditions as rooted in the focus groups as one way to emphasize what needs to change in the industry and what exactly makes these jobs exploitative.



### Low Wages

Nail salon workers earn low wages and encounter a wide and significant range of labor issues. The 2018 *Nail Files* study found that full-time manicurists earned \$9.06 per hour and lacked the enforcement of the most basic labor protections.<sup>7</sup> Two community studies and investigative journalism found that manicurists were experiencing wage theft: being paid below minimum wage, working overtime without pay, and lacking regular breaks.<sup>8</sup>

In the focus groups, there were a range of ways that labor concerns around pay came up, starting with low wages. Workers in California and Boston commented on the need to increase wages or worker pay. One Boston worker noted the importance of wages in nail salon work, observing that aside from their relationship with the owner, money was the second most important factor for workers when deciding to stay at a salon. Another Boston worker commented on how being a part of a two-income household is necessary to make ends meet for this kind of job, but those with only one income would be impacted by the work's low wages.

In Boston, workers agreed that earnings have a huge impact on turnover, as workers stay in salons where they can have reliable incomes and where they feel comparably well-compensated. Good working relationships are important in this sense as well, as many workers noted that instead of taking the tips for themselves, some owners give the entirety to the workers who earned them.



### *Misclassification, Hourly Wages, and Payment Structures*

Salon employers may purposefully misclassify manicurists as independent contractors instead of employees to avoid labor laws and protections. Independent contractors are not protected by workers' rights that require minimum wage, overtime pay, workers' compensation, and other workplace benefits. Independent contractors are also disallowed to collectively bargain and are not protected from discrimination, harassment, or retaliation under employment laws. True independent contractors are able to set their own work schedule and the price of services. Most nail salon workers do not have these privileges and thus should be considered wage employees. A California 2016-17 survey of Vietnamese nail salon workers reported that 39% were independent contractors.<sup>9</sup> In Massachusetts, salons more commonly pay manicurists by commission, rather than by hourly wage.

In the focus groups, labor issues also came up in terms of the lack of an hourly wage, related to misclassification. Workers in California emphasized the need for an hourly wage to be mandated and enforced. One worker stated it would be good if employees have an hourly wage pay structure—and for it to be illegal otherwise—because currently “no one mentions hourly wages” in the hiring process. A few workers in the focus groups repeatedly demonstrated a lack of knowledge about an hourly wage as an existing payment structure, as well as lack of the enforcement of a minimum, hourly wage.

One effect of misclassification is that nail salons often structure pay in terms of employer-employee split-pay arrangements. Also called a commission rate, owners set a percentage of profit per client service that they will receive, while the rest goes to a worker. The typical percentage arrangement is: 60% to the worker, and 40% to the owner.<sup>10</sup> At times, manicurists are not guaranteed a base pay or salary either. This system is exploitative: owners often take clients seeking salon services that earn more, while giving workers less desirable clients.<sup>11</sup> Owners may also offer a higher commission rate if

workers agree to be classified as independent contractors, compelling workers to choose being an independent contractor, despite paying higher taxes in the long run. In other salons, workers are not given a choice in how they are classified.<sup>12</sup>

In the focus groups, workers emphasized confusion and dismay with a split-pay payment structure, and expressed the need for clarity and stability in how they are paid. One California worker explained how in their experience, they were not making enough: “Sometimes workers sit from morning to evening [and] only [...] make a few tens of dollars. After that, you have to split [it] 40-60, [so] there’s not much left.” Another worker commented enthusiastically, that this is exactly why they want a regular wage over split-pay, because “workers would know [that] when we go to work, we will have that much income, so that people can rest assured that they will get paid at the daily living cost, and not sit and depend totally on their luck.”

Nail salon owners in California, however, described a preference for hiring and paying manicurists as employees or independent contractors. While a few salon owners thought that hiring manicurists as employees with a W-2 is better than independent contractors with a 1099, one owner liked using both, and hired full-time staff as employees and part-time staff as independent contractors. However, most salon owners assumed hiring on a 1099 structure was much easier for everyone. As one owner told us:

***“It’s easy for the owners, but also easy for the workers. But as for the W-2, you need to pay taxes on [it], you need to report every three quarters, every first quarter you have to report to the state. Then that makes it more work for me. I have to have the books, my own accountant. I have to hire people, so the income is cut down even more.”***

When describing preferences for payment structure, owners ultimately focused on their ease of bookkeeping.

Salon workers in California differed significantly from owners on the issue of payment structure. Workers agreed that “owners only care for their own interests,” especially in an independent contractor split-pay system. Owners only implement a split-pay structure of 50-50 when the salon attracts a lot of customers, according to one worker. Yet for workers, the split-pay structure impedes their ability to make ends meet, especially given occupational health conditions at the salon.

One worker said:

**“My health doesn’t allow me to work five days a week [at the salon]. Actually, I can only work until the third day, [because] in a nail salon, the environment [makes] my headaches become unbearable. There was no way that I could sell my life cheaply to work five days a week, but the owner pushed me. The owner said if I worked part-time, they would only split 50-50 with me. The owners want to protect their own interests. They don’t think about their employees, as if they can exhaust our labor force. [There were] many times when I worked the third day, [and] I was already exhausted, but I couldn’t do it anymore. [...] there are days when I only could make forty or fifty bucks after the day’s split.”**

Workers echoed that split pay increases owners’ profits but compounds worker income instability.

In Boston, salon workers focused on the lack of health insurance associated with non-employee payment structures. One worker said, “It is mandatory to get insurance for workers because in order to issue a W-2, it is required to have a separate workers’ insurance.” Another echoed that insurance exists for workers at salons who issue W-2s or pay their workers hourly wages, not split-pay.



### **Breaks and Scheduling**

Salon workers in California and Boston highlighted the need for breaks as a labor standard and for their own health. While one California worker thought receiving a lunch break was based on a worker’s preference, another corrected that eating your lunch is a right according to U.S. labor law for workers who work more than three hours. Workers in Boston similarly advocated for a meal and other rest breaks, given the salon’s many tasks. Salon workers agreed that “there is no set lunch break” in many salons and “a salon should institute a mealtime, at least 15 minutes for each worker.” Instead a few workers either ate beforehand or were given a break to run salon errands. They described what they called time-squeezing, which is when “you eat in a hurry, eat to fill your stomach, just to go to work.” Both regions drew a connection between breaks and physical and mental health. In Boston, a worker said, “In the long run, it would very much affect your health and stomach. Being booked back to back means continuously working with customers, [and] the workers can’t go pee or even drink water,” and in California, a worker emphasized, “[if] we work all day like that and we don’t have time to rest, it’s very harmful to our health.”

Workers also raised concerns around scheduling and time off, and asked for “flexible accommodations.” Workers described how they are often “not allowed to leave”—sometimes even when they have an injury, a doctor’s appointment, or childcare needs. One worker described her hopes that “the terms must be flexible so I can leave work when I want” and that “the owner has to be a little easy-going.” Workers shared their current strategies which include taking on someone’s shift in case they have to leave for an emergency or personal need.

Lastly, workers recommend that salon owners hire more workers or conversely, decrease the number of workers to improve labor standards. They felt that for salons that are slower but have a higher number of workers, lowering the number of workers would give them more customers.



## *Occupational Health, Safety, and Environmental Exposures*

Nail salon workers face numerous toxic exposures in the salon, from chemicals in cosmetics to cleaning products. Outdated regulatory standards and a lack of government oversight over nail salons have contributed to the continued use of dangerous products.<sup>13</sup> Chemicals in nail polishes and in disinfectants can cause harm to the skin and result in serious health problems. Exposure may be associated with allergies, eye and skin irritation, eczema, or reproductive health problems. Other products, such as acrylic nails, may cause nose and skin irritation, allergies, pain, coughing, nausea, asthma, difficulty breathing, and miscarriages.<sup>14</sup>

Workers in the California focus groups expressed that when working in the nail salon, “health is the number one issue.” They highlighted air quality in the salon, and one even described having a daily stuffy nose because of the working environment. They also described how using new products on the market, such as dip powder, made their face redden or blush. One worker stated that “many cancer problems originate” in the nail salon industry, especially given the 10-12 hours some workers spend at the salon. Lastly, workers commented on the need for supplies to mitigate exposures, from gloves, which have become expensive, to masks.

While government oversight alongside manufacturer reformulation of products is a major venue for change, workplace policies and practices can also reduce exposure to chemicals. Nail salons may choose to use less toxic alternatives to known hazardous products, but nail salon workers may not always be able to advocate for better workplace conditions. Owners control workplace practices and the information disseminated to workers, and fear of retaliation can prevent workers from reporting hazards.<sup>15</sup>

Workers also brought up the role of governmental oversight. One worker in California wanted ingredient disclosures with cosmetics and other product labels and said products “should be labeled

with a list of ingredient substances and whether it would cause any problems with our health.” A few workers in Boston commented on the role of the state board, which mandates health issues. Another focused on the role of individual salon and owner practices, where keeping the salon door open and having mechanisms for good air circulation is “being conscious to hygiene.”



## *The Impact of COVID-19*

Since 2020, the COVID-19 pandemic has upended nail salons as they were forced to shut down to shelter in place, devastating workers and owners alike. In California, nail salons were made to close and re-open several times, with some counties requiring salons to close for up to eight of the first twelve months of COVID-19. In April 2020, CHNSC surveyed staff after salons shut down and found owners grappling with how to cover payroll and ongoing expenses.<sup>16</sup> In both California and Boston, pandemic relief efforts such as the Payment Protection Program (PPP), Economic Injury Disaster Loans (EIDL), Small Business Administration Loans (SBAL), and other city- and state-wide grants were available to small businesses; however, research in Boston found that most of these funds were inaccessible to nail salon owners because of barriers relating to language, technology, and information access.<sup>17</sup>

California owners noted a decrease in profits and income due to the pandemic, from the initial shutdowns to reopening processes. The owners described that “almost everyone had a financial problem” and that they “had to struggle,” lowering profit margins to zero. After reopening, salon work and recovery were not any easier, given global conditions and customer fears. One owner described how customers “were the people who fed us” including “those who were seniors, [who] passed away” as well as those “who were afraid [...] they used to come once a week or once every two weeks... only come once every four weeks.” Owners described the drop in clientele from 100% to 20-30%.

Meanwhile, workers were also reeling from the collapsed customer base and resulting job loss. In California, 71% of workers reported that their salon reopened with 5 or fewer employees. Workers also reported a major decline in work, with 44% of workers reporting that they only worked 10-20 hours per week and 75% reporting slow customer flow.<sup>18</sup> More than half of workers (54%) and nearly half of owners (48%) in California were unsure if they would be able to afford food and other necessities in the following month.<sup>19</sup> In Boston, 91% of workers reported earning less money in 2020 than 2021. They also reported a struggle to cover living costs such as bills, housing, and food, especially as customer flow dwindled due to social distancing measures and moving into the “off-season” (fall and winter).<sup>20</sup> Many workers relied on unemployment benefits to make ends meet; in Boston, 88% of participants applied for unemployment benefits, and in California, 91% of participants applied to unemployment insurance and 32% of participants applied to Pandemic Unemployment

Assistance (PUA).<sup>21</sup> However, those who were misclassified as independent contractors had to wait to receive benefits until the PUA program began at the end of April 2020.<sup>22</sup>

In California, some workers pointed to ageism as a key equity issue. Workers in the focus groups described how difficult it has been to find another job, especially if you were perceived as an “older” nail salon worker because owners typically wanted to hire young workers. COVID-19 exacerbated this, as one worker shared they could not find a stable job in the nail salon industry. Another worker echoed that “you can read in the newspapers that most job advertisements are looking for only young workers, and some old people like us are sent back to the prairie,” expressing that, “sometimes when I read [those advertisements] what do I do? I feel frustrated.” Instead, older workers were exasperated that they would have to accept jobs further away or with a longer commute, because the young workers do not want jobs in remote areas, especially if they have kids.



### *Anti-Asian Violence*

During the COVID-19 pandemic, there was also a significant increase in reports of anti-Asian violence. In 2020, anti-Asian hate crimes surged by 150% in sixteen of America’s largest cities.<sup>23</sup> It’s commonly understood that this development is associated with the use of racist and xenophobic rhetoric surrounding the virus; for example, President Donald Trump repeatedly used the terms “Chinese virus” and an unnamed White House staffer used the term “kung flu.”<sup>24</sup>

In the nail salon, a 2021 survey from California Healthy Nail Salon Collaborative (CHNSC) reported that 14% of workers experienced discrimination in the workplace as a result of their race or ethnicity. Among owners, 19% had personally experienced anti-Asian discrimination and 14% had witnessed their workers being harassed or discriminated against due to their race or ethnicity. According to the National Asian Pacific American Women’s Forum (NAPAWF), 62% of all national hate incidents were reported by women. Nearly 3 in 4 (74%) Asian American and Pacific Islander women reported experiencing racism and/or discrimination over the past twelve months, and almost half (47%) reported incidents that happened in public places.<sup>25</sup> A UCLA study found that Asian American businesses experienced “racialized blaming” and significant reductions in customers, and Stop AAPI Hate found that over one-third of all reported anti-Asian incidents between March 2020 and March 2021 occurred at a business.<sup>26</sup> Workers and owners have reported being scared to work at salons, and some owners have even considered closing their salons as a result.<sup>27</sup>



### III. Summary of Approaches: High Road Training Partnerships

#### 1. Overview of High Road Training Partnerships

##### a. What is a High Road Training Partnership?

High Road Training Partnerships (HRTPs) are industry-based, worker-focused, training partnerships composed of industry leaders—employers, workers, and labor representatives (both union representatives and those from worker organizations). High road sectoral and regional partnerships exist throughout the country,<sup>28</sup> including in states like New York and Massachusetts.<sup>29</sup> These partnerships have taken root and expanded in California, where the high road approach has been adopted as a core principle of the Labor and Workforce Development Agency’s programs and initiatives to better suit its workforce and economic development goals.

HRTPs rely on the idea of the “high road,” or an economic development strategy that is mutually beneficial to businesses and the workforce with goals of shared prosperity, environmental sustainability, and efficient democracy.<sup>30</sup> A high road employer thrives on the basis of quality products and services that stem from innovative strategies and investments in its workforce.<sup>31</sup> This approach generates career-track jobs where workers have agency and voice.<sup>32</sup> This means

that workers have access to predictable, fair, and clearly defined pathways to jobs that support their livelihoods. In addition, HRTPs provide workers with opportunities for skill development and career advancement.<sup>33</sup> In contrast, a “low road” employer competes mainly on price, lowering the cost of products and services in order to gain a greater share of the market, which results in the exploitation of its labor force and externalized costs of production in ways that harm others.<sup>34</sup>

**Figure 1: The High Road vs the Low Road Approach**

**Employer Approaches**

**High Road**

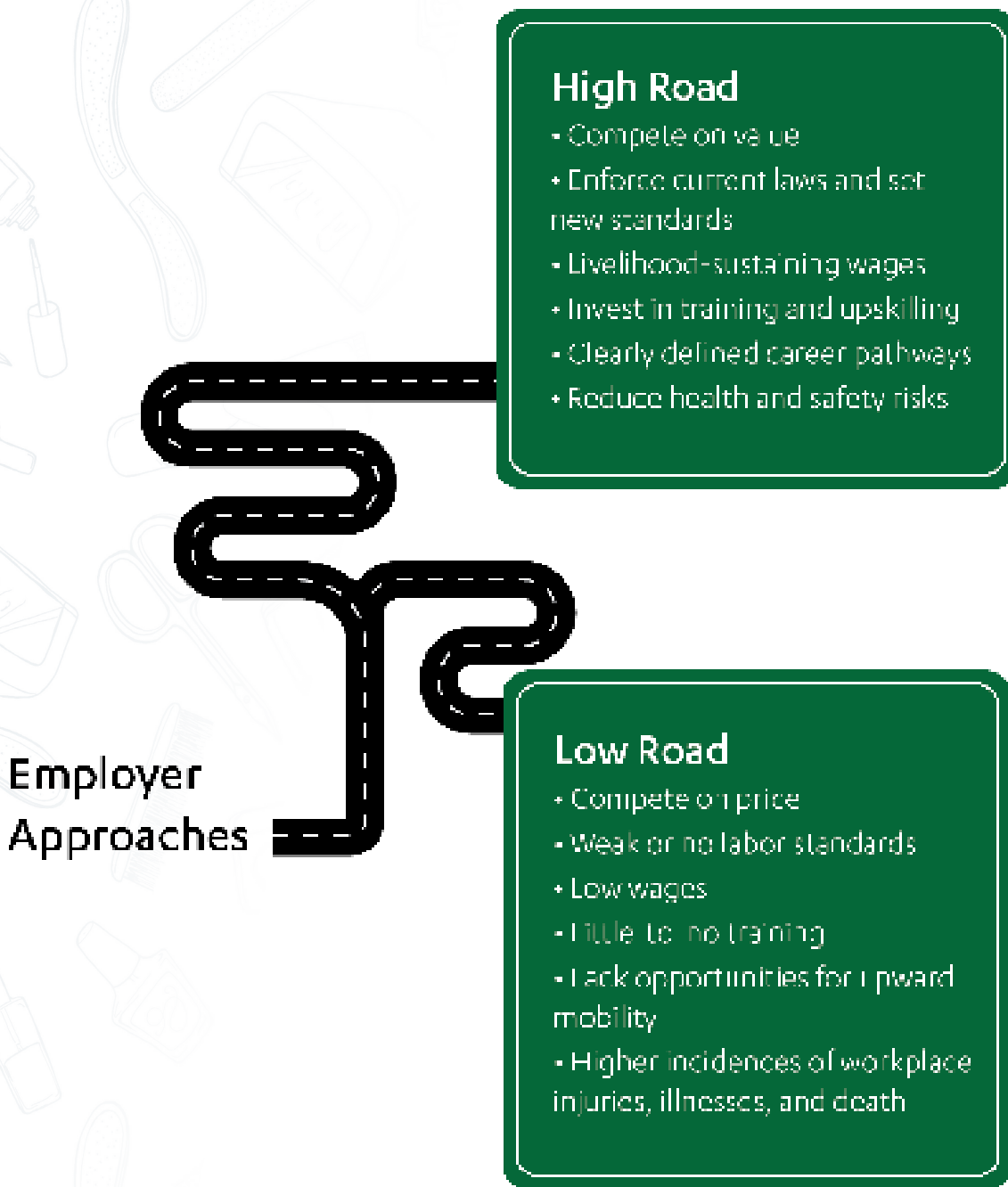
- Compete on value
- Enforce current laws and set new standards
- Livelihood-sustaining wages
- Invest in training and upskilling
- Clearly defined career pathways
- Reduce health and safety risks

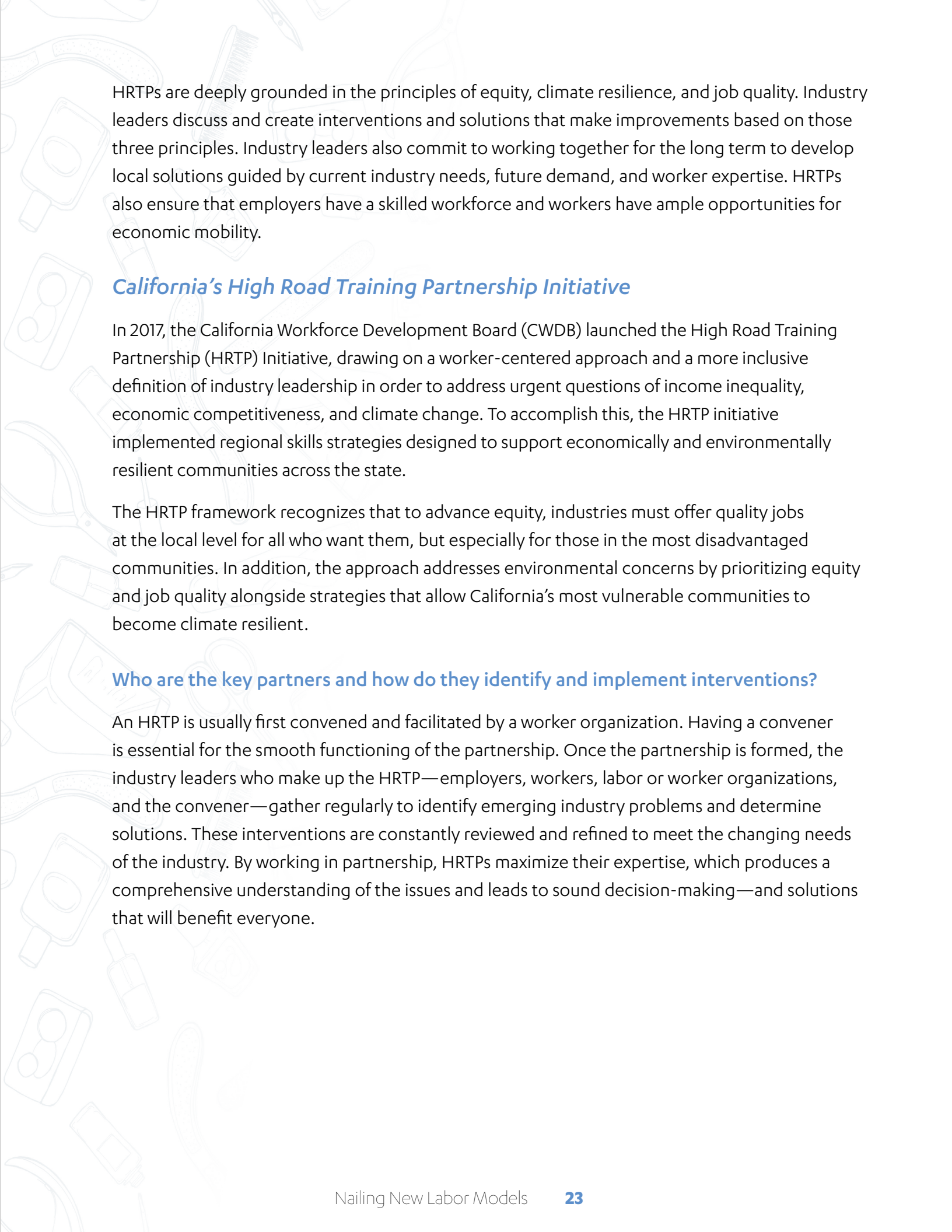
**Low Road**

- Compete on price
- Weak or no labor standards
- Low wages
- Little to no training
- Lack opportunities for upward mobility
- Higher incidences of workplace injuries, illnesses, and death

Nailing New Labor Models 22

### Figure 1: The High Road vs the Low Road Approach





HRTPs are deeply grounded in the principles of equity, climate resilience, and job quality. Industry leaders discuss and create interventions and solutions that make improvements based on those three principles. Industry leaders also commit to working together for the long term to develop local solutions guided by current industry needs, future demand, and worker expertise. HRTPs also ensure that employers have a skilled workforce and workers have ample opportunities for economic mobility.

### ***California's High Road Training Partnership Initiative***

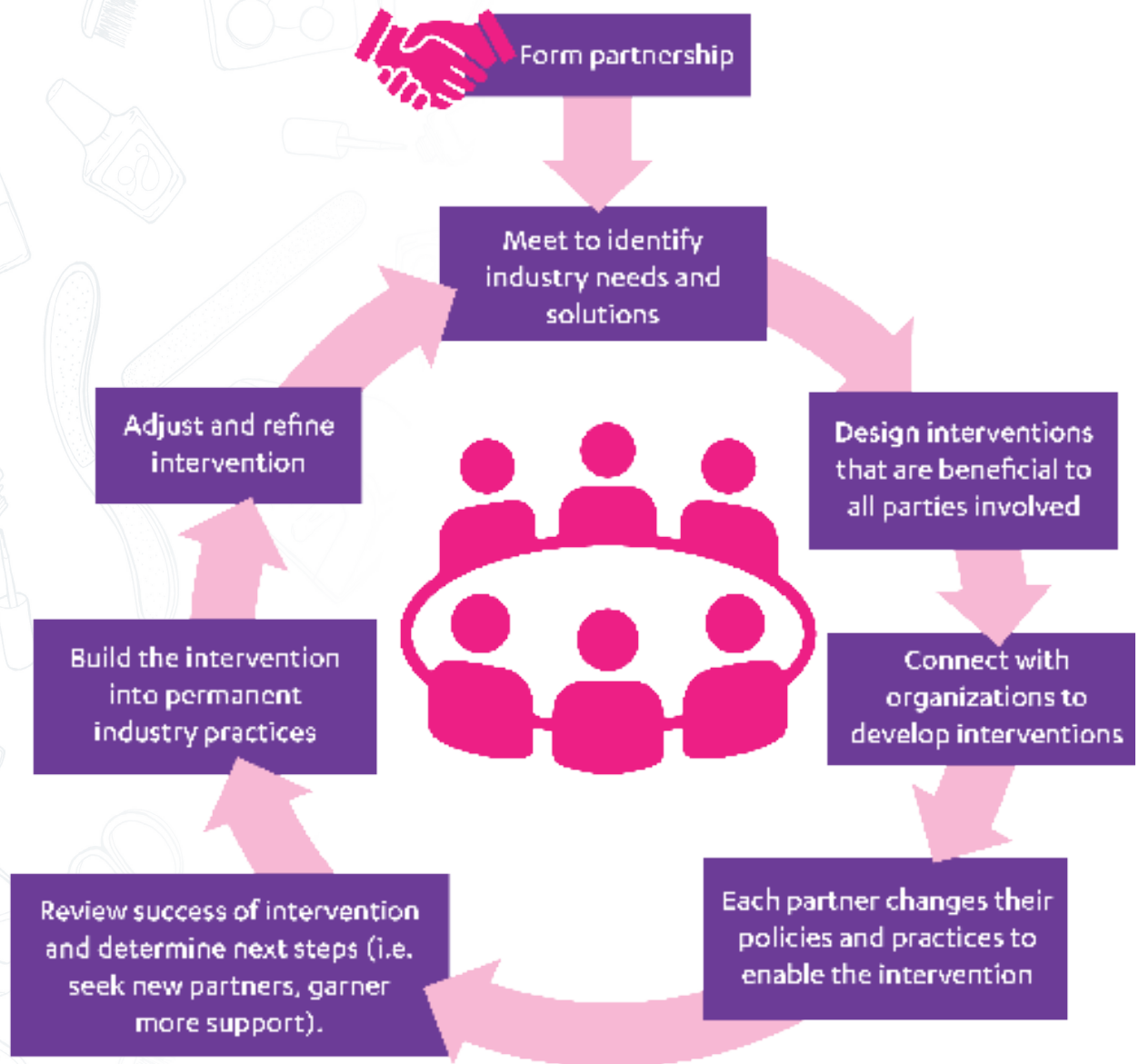
In 2017, the California Workforce Development Board (CWDB) launched the High Road Training Partnership (H RTP) Initiative, drawing on a worker-centered approach and a more inclusive definition of industry leadership in order to address urgent questions of income inequality, economic competitiveness, and climate change. To accomplish this, the H RTP initiative implemented regional skills strategies designed to support economically and environmentally resilient communities across the state.

The H RTP framework recognizes that to advance equity, industries must offer quality jobs at the local level for all who want them, but especially for those in the most disadvantaged communities. In addition, the approach addresses environmental concerns by prioritizing equity and job quality alongside strategies that allow California's most vulnerable communities to become climate resilient.

### **Who are the key partners and how do they identify and implement interventions?**

An H RTP is usually first convened and facilitated by a worker organization. Having a convener is essential for the smooth functioning of the partnership. Once the partnership is formed, the industry leaders who make up the H RTP—employers, workers, labor or worker organizations, and the convener—gather regularly to identify emerging industry problems and determine solutions. These interventions are constantly reviewed and refined to meet the changing needs of the industry. By working in partnership, H RTPs maximize their expertise, which produces a comprehensive understanding of the issues and leads to sound decision-making—and solutions that will benefit everyone.

Figure 2: The H RTP process



The H RTP Initiative also offers a support system to help grantees achieve their goals. In this emerging model, the support system includes:

- **Field specialists:** The California Workforce Development Board's (CWDB) H RTP Initiative team includes field specialists that provide grantees with administrative support and facilitate connections to key stakeholders and resources to advance their project's goals.
- **Community of practice:** The UC Berkeley Labor Center hosts monthly peer-to-peer meetings where H RTPs connect, learn from others' experiences, and support each other by identifying educational needs, partnering with others doing similar work, and sharing best practices that are already in place.

- **Learning lab:** The UC Berkeley Labor Center provides seminars to give any H RTP staff and leadership an opportunity to think critically with other practitioners about high road work, deepen their understanding of high road principles and strategies, and develop work plans and tools to further their specific partnership’s goals.
- **Technical assistance:** The CWDB partners with specialists like the California Labor Federation to support emerging H RTPs, and the UCLA Labor Center which provides evaluation and industry research assistance for strategic direction to H RTPs, which helps them align their short-term goals with long-term impact.

## b. H RTP Benefits and Challenges

H RTPs offer an innovative model for workforce development that creates local solutions to industry issues, places systemic issues that prevent workers and communities from achieving economic prosperity at the forefront, and is responsive to change. By design, this approach to workforce development is meant to support high road employers and prioritize the communities that have been historically under-served by our public systems.<sup>35</sup>

The true value of the high road approach lies in its collective structure and the collaborative role of its partners—in other words, its inclusive definition of industry leadership. H RTPs meet regularly to identify industry needs, allowing companies to shift quickly to new priorities or address urgent social, economic, or climate crises, informed by worker expertise and goals for themselves and their industries. The shared leadership structure sets new parameters for industry management with the reassurance that the solutions they develop will meet the needs of employers, workers, and the communities in which they live.

The H RTP approach, however, does have its challenges. Making industry or systems change can seem slow, as it takes time to build strong, trusting relationships among partners. Once the partnership is in place, it usually starts among a few employers and expands to an entire industry, which can seem like a slower timeline but is meant to allow for changes in practices and policies along the way. These changes over time help achieve the culture change required to approach workforce and economic development in a more equitable way. Finally, H RTPs started in industries with some employers that may already be geared toward the high road and are unionized (i.e., have existing relationships and a negotiating structure in place). As it develops, the H RTP initiative is attempting to be an effective approach for partnerships without a unionized context and in low-wage industries. It has funded some worker centers and they have both partnered with unions so it is up to new partnerships to refine the approach in low-wage sectors.

## 2. Creating an H RTP: Key Components

To better understand how the H RTP approach can work in the nail salon industry, we conducted in-depth interviews with two organizations that convene H RTPs. These organizations have similar worker and industry characteristics as the nail salon industry: Building Skills Partnership (BSP) and the Warehouse Worker Resource Center (WWRC).

**Building Skills Partnership** is a nonprofit organization born out of the Justice for Janitors movement that helps thousands of immigrant janitors achieve a more just way of living and working. BSP partners with responsible businesses and employers to improve the lives of property service workers and their families through skills training, educational access, and career and community advancement opportunities.<sup>35</sup>

Through the H RTP Initiative, BSP's High Road to Janitorial Services H RTP expanded its Green Janitor Education Program (GJEP), a 30-hour workplace curriculum that aligns with the U.S. Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) rating system for green buildings. Through this program, janitors are accredited in green building cleaning practices to help meet the latest energy, water, and environmental sustainability standards. The curriculum addresses energy efficiency, recycling, waste management, water conservation, and other sustainable and green cleaning practices. In 2019, BSP launched a Floor Care Technician program aimed at addressing the gender gap in this position and providing upskilling and career advancement opportunities for incumbent janitorial workers.

**Warehouse Worker Resource Center** (formerly known as Warehouse Workers United) is a worker center that organizes to improve industry standards and the lives of workers in the warehouse sector. It was originally founded in 2009 to bring together warehouse workers in Southern California and worked closely with community groups in San Bernardino and Riverside Counties in Southern California.

The High Road to Logistics H RTP is a partnership of WWRC, the Inland Empire Labor Institute, the nonprofit wing of the Inland Empire Labor Council, AFL-CIO, and the International Brotherhood of Teamsters to merge California's newly developed clean energy measures with the logistics industry. The partnership will work with high road employers to create multiple career pathways in the manufacturing, maintenance, installation, and operation of electric logistics yard equipment and zero-emissions delivery and distribution vehicles (heavy duty big rigs, semi trucks, box trucks, and delivery vans).



## Comparing Three Industries: Nail Salon, Janitorial Services, and Logistics

The California Healthy Nail Salon Collaborative (CHNSC), Building Skills Partnership (BSP), and Warehouse Worker Resource Center (WWRC) work with workers of color in low-wage industries. Many of these workers are immigrants and English language learners who face multiple barriers to employment and obstacles to career advancement. Workers in these industries are often exposed to hazardous substances and unsafe working conditions, contributing to adverse health outcomes. Yet their working conditions also differ. Although most logistics and janitorial workers are employed year-round, they may experience unpredictable and unstable work schedules.

A significant difference between the three organizations is that BSP works with unionized workers. They have a labor management committee that meets regularly with employers, union leaders, and workers to address pressing industry and workforce issues. WWRC, the CHNSC, and VietAID on the other hand, have been organizing in their respective sectors for a long time and work with non-unionized workers. WWRC has been partnering with unions for a long time to create career pathways into quality jobs for workers of color in the warehousing industry.

Employers in these industries also differ. The nail salon industry is dominated by small family-owned salons, with the majority having fewer than ten employees. And employers in the logistics and janitorial sectors are larger companies; sometimes, these companies are multi-million dollar corporations.

### a. Building the Partnership

In this section, we share the High Road to Janitorial Services H RTP and The High Road to Logistics H RTP's insights on creating the partnership and adopting the approach, including key questions nail salon industry leaders should consider and suggestions that may help build the high road in their industry.

#### Identifying Partners

One of the first steps in forming partnerships is identifying the people that will be at the table discussing industry problems, identifying solutions, and making decisions collectively.



#### *The High Road to Janitorial Services H RTP*

BSP works with the Service Employees International Union-United Service Worker West (SEIU-USWW) and therefore was able to leverage pre-existing labor management committee infrastructure that had been in place for a year and to integrate the high road approach into its work with those employer and union representatives. The High Road to Janitorial Services H RTP was funded in 2017 to expand BSP's existing Green Janitor Education Program, and its core partners include:

- SEIU-USWW (the union)
- California's leading janitorial service companies (American Building Maintenance, DMS Facilities Services, Able Services, AUS, Servicon, Service by Medallion, SBM)
- Building Owners and Managers Association-Greater Los Angeles (BOMA-GLA), and green property service workers.

BSP regularly convenes this set of unlikely partners—a union, employers, and an employers' association—regularly to identify common interests and develop solutions to janitorial service industry and workforce needs. Subcommittees are formed to address specific topics, such as sustainability.



### *The High Road to Logistics H RTP*

The High Road to Logistics H RTP began in 2021 and is in the process of solidifying core partners and their roles. WWRC gathered core partners that have worked together for over ten years in the Inland Empire, including:

- The Inland Empire Labor Institute,
- Teamsters 1932, Teamsters International (the union), and
- The Inland Empire Labor Council.

The Inland Empire Labor Institute was created to support these high road efforts as the partnership convener and fiscal agent. The Institute is working closely with Teamsters to establish a training space and leverage both of their relationships to identify employers to join the partnership. The High Road to Logistics H RTP is currently focusing on creating pathways, resources and support systems for people who have historically been disadvantaged in the logistics industry.



### *Learnings for the Nail Salon Sector*

Start by conducting a stakeholder assessment and map the people that are influential in the industry, broadly and regionally. An understanding of the landscape of power and leaders in the industry will inform a concerted and strategic effort to bring those people to a labor management committee setting.

#### **Consider the following questions:**

- Who are considered leaders in this industry?
- Who is making decisions on industry standards and practices?
- Who are the champions implementing transformational change?
- Who are the people that understand the high road?

To identify employer partners, start by searching for employers that fit the definition of a good employer in the nail salon industry. Potential partners may include nail salon shop owners or nail salon chain owners or franchisees.

#### **Consider the following questions:**

- What are the characteristics of a high road employer?
- Are there high road employers in this industry?
- Are any of those employers working with the convening union/ worker organization or willing to partner?

### **Engaging Partners**

Bringing partners together to work under an approach that encourages changing work norms, behaviors, and practices takes time and trust building. Successful partnerships have a long history of working together, as demonstrated by the High Road to Janitorial Services H RTP and High Road to Logistics H RTP. As a Building Skills Partnership organizer says,

*“I think it’s a lot about wrapping our heads around how we understand what they need, and we also express the value that we bring to the table by virtue of having these programs, by virtue of convening all of these employers to really help us understand how to take the industry to the next level and professionalize the workforce.”*



### *The High Road to Janitorial Services H RTP*

For this H RTP, the value of partnerships and partner engagement stems from the Justice for Janitors movement in the 1990s. SEIU-USWW and building and operations employers worked closely together to create an education fund, called the Leadership Training and Education Fund (LTEF), an employer-paid benefit program that provides free continuing education, training, and career services to eligible union members. In 2017, LTEF formed Building Skills Partnership to expand services to low-wage, immigrant property service workers.

As BSP created its programs, graduation ceremonies became an important means to meaningfully engage all of these partners. These types of events gave workers the opportunity to hear testimonials from other workers about the value of professional development. Testimonials often demonstrate the benefits that training opportunities offer, not only for on-the-job skills but also for a worker's quality of life. For workers, interaction with high-level management and union leaders can be rare; therefore, their presence at a celebration of their achievements demonstrates that workers' success is valued, and it reinforces an alignment of values based on equity and job quality among all parties.

As the High Road to Janitorial Services H RTP came together, the celebration allowed workers and management alike to see the positive outcomes of the program, which helped solidify the commitment that both have to the partnership. As a result, the H RTP's core partners become ambassadors who spread the word about the value of the partnership to others within the firm and the union.<sup>36</sup>



### *The High Road to Logistics H RTP*

Warehouse Worker Resource Center (WWRC) began working with warehouse workers and community-based organizations in the early 2000s to help lift standards in the warehouse industry, including organizations that are not currently formal H RTP partners, in part because the H RTP is still in formation. In 2011, WWRC partnered with the Pomona Economic Opportunity Center, and Center for Community Action and Environmental Justice, as well as national coalitions and groups like the UCLA Labor Occupational Safety and Health Program, Council on Occupational Health and Safety, the Food Chain Workers Alliance, and the Staffing Workers Alliance to develop a health and safety certification course to help improve working conditions for warehouse workers. Through this coalition, WWRC also launched a survey of warehouse workers in Riverside and San Bernardino Counties and released two reports documenting the occupational hazards and lack of protections in the warehouse industry. A wave of strikes and

campaigns ensued soon after, with several wins that included judgments for back pay and stolen wages totaling more than \$26 million.<sup>37</sup>



### *Learnings for the Nail Salon Sector*

- Most HRTPs engage with a broad set of partners for many years, so creating an H RTP is a natural progression of the years of organizing, community building, and even training that they have done to help lift industry standards. This builds the groundwork for the partnership in the H RTP and in some cases, allows them to expand existing training, programs, or initiatives.
- It is important to understand what both workers and employers value so that you can approach them with a win-win situation.
- Consider joining efforts with unions that can help organize nail salons. Learn about any prior attempts at organizing the industry and build on their lessons and approaches.

### **Employer Engagement**

Relationships are important to initiate employer engagement. Engage in partnerships with people you trust and have worked with before, if possible. Create outreach campaigns. Reach out to employers first, and if they are not convinced, leverage interest from their clients.

- » Leverage the opportunity the current labor shortage presents to secure long-term partnerships with employers.
- » State and national mandates (i.e., clean energy vehicle mandates) can incentivize employers to engage in partnership. Start by proposing English language skills training that can improve customer service at their businesses.
- » Partner with shopping center property owners that have a say in the type of employment that takes place on their property. It can be a starting point to negotiate the rules and standards that commercial property tenants need to abide by.
- » Think about employer incentives to engage, especially if you are partnering with single shop owners. If engaging in the work is only going to generate additional costs for them, they will not see the benefit of partnering.

## Worker Engagement

- » Worker engagement should be deep, extensive, and long-term.
- » Workers are motivated by the opportunity to earn a certification as a result of the training programs they participate in. The certification is highly valued, especially in low-wage industries where there is a perception that the work is not skilled or specialized. A certification validates the worker's expertise and professionalism. It is also a recognition that can create the opportunity for higher wages or increase the number of customers.
- » Start by asking workers what they need the most help with. It can be something that is not a workforce development training program but is important to the worker, like gaining access to healthcare. That support can be the starting point to spark interest in other programs and training.

## Worker-Centered Partnerships



### *The High Road to Janitorial Services H RTP*

When Building Skills Partnership (BSP) started the Mike Garcia Scholarship Fund, a fund that offers educational scholarships for janitorial workers' children, it started by asking workers about their needs. They were given several options including immigration reform, housing, better working conditions, and opportunities for their children. The workers, including those more deeply involved in campaigns to improve working conditions and industry standards, indicated that they wanted to prioritize opportunities for their children. As a result, BSP created the scholarship fund. Although it may have seemed like something outside of the scope of workplace training, prioritizing what workers care about is what garnered worker trust in BSP and catalyzed their engagement in training programs and beyond.



### *The High Road to Logistics H RTP*

As the High Road to Logistics H RTP built its partnership, it centered workers in a range of convenings and other processes. When they first convened core partners, they invited workers to highlight key conditions in their work. Workers also participated in meetings with then-U.S. Secretary of Labor Marty Walsh to share about their experience working in the warehouse

industry. The High Road to Logistics H RTP is also conducting focus groups to learn about the types of support services workers need and as they design a training program for warehousing jobs. When they launch the program, they will also conduct a participatory research study to assess the training model and its effectiveness.



### *Learnings for the Nail Salon Sector*

- Workers may not be in the headspace to begin engaging in high road work by thinking about career advancement or industry changes because they may have more immediate needs. Start from a conversation that aims to understand what people on the ground are experiencing in the industry. It will highlight how their personal experiences relate to industry issues and pinpoint what needs to be urgently addressed. In other words, find out what workers care about and start there.
- Support services like access to banking and financial skills training may seem outside of the realm of workforce development, but they can help workers maximize their wages and employers experience lower turnover.

#### **Consider the following questions:**

- » Is your vision for the nail salon industry aligned with workers' immediate needs and desires?
- » What are workers' priorities?

#### **Data Collection Tips**

- » Conduct surveys and focus groups, and have direct conversations with workers.
- » Ask about their career aspirations. Culturally, what is it that motivates individuals who are working in this industry? Do they aspire to become nail salon owners themselves? If so, what will it take for them to get there? If not, do they consider this work a temporary job? What are they aspiring to do later on?
- » Worker populations tend to vary by region; therefore, a convening organization should consider including different questions based on region to capture information about worker interests and needs by location.

## Industry-Driven Partnerships

HRTPs focus on jobs by identifying jobs that need to be filled. They design training and other interventions that will prepare workers for and connect them to those jobs.



### *The High Road to Janitorial Services HRTP*

The Building Skills Partnerships' (BSP) HRTP partnership identified a need to train janitors on green sustainability practices to reduce the carbon footprint of buildings. In California, buildings need to be Leadership in Energy and Environmental Design (LEED) certified by the US Green Building Council of Los Angeles (USGBC-LA). Together, BSP, USGBC-LA, and janitors created an energy management and green cleaning training curriculum to meet the demand for janitors to be certified in green sustainability practices. Certified green janitors are facilitating the meeting of current industry needs by helping buildings to qualify for an additional point toward the USGBC's LEED green building rating system.<sup>38</sup>



### *The High Road to Logistics*

The High Road to Logistics HRTP's work focuses on the Inland Empire for the region's high concentration of warehouses and distribution centers. In fact, the city of Ontario has the most warehouse space in the region, with over 600 warehouses.<sup>39</sup> In California, warehouse work is one of the most in-demand occupations and is expected to remain so in the foreseeable future. The increase in the construction of warehouses and distribution centers fuels the demand for warehouse workers.<sup>40</sup> The High Road to Logistics HRTP is working with employers to train warehousing jobs to meet industry demand. The partnership has also identified the necessity to build a network of electric vehicle (EV) charging stations capable of keeping electric delivery vehicles on the road between delivery destinations.



### *Learnings for the Nail Salon Sector*

- Start with an analysis of the current state of the industry. This will help identify the changes the convening organization would like to see and determine a strategy to reach the partnership's industry goals by leveraging local expertise, partnerships, and current economic circumstances (i.e., labor shortage).
- Creating and financially sustaining robust workforce training programs may be out of the question for employers, especially for smaller businesses. However, working within a consortium of businesses, big or small, can lessen the burden of costs for all employers while raising skills standards across the region.

#### **Consider the following questions:**

- » What goal or outcome is the convening organization hoping to achieve within the nail salon industry?
- » How will an H RTP contribute to the change the convening organization wants to see in your industry?
- » What industry demand does the convening organization hope to fill with an H RTP?

## **b. Creating the Programs**

*“What I’ve learned through these H RTP grants and implementation is that part of being an H RTP is formalizing and standardizing. What do training and standardizing opportunities look like for folks in this industry? It’s important to look at what is informally there. What are some of those informal or more formal training avenues? Do folks have opportunities for upward mobility?”*

*-Building Skills Partnership Organizer*



### *The High Road to Janitorial Services H RTP*

The Green Janitor Education Program existed already, but through the H RTP they used the curriculum to expand the application to a new region.<sup>41</sup> The first program focused on Southern California, where it was implemented at 29 worksites, impacting 445 workers throughout the region. The expanded iteration incorporated Northern California, where 600 workers are being served.<sup>42</sup> In addition, the H RTP allowed BSP to implement upskilling and development in an expansive way, especially as the pandemic hit. At the onset of the pandemic, BSP partnered with UCLA LOSH and UC Berkeley LOHP to create an Infectious Disease Certification to keep workers and building occupants healthy and safe.<sup>43</sup>



### *The High Road to Logistics H RTP*

The High Road to Logistics H RTP is in the process of opening a training center at Teamsters 1932 in San Bernardino. They are creating a curriculum to develop skills for warehouse jobs in collaboration with the Teamsters. The H RTP is also in the process of securing Memoranda of Understanding (MOUs) with employers to make sure there are job placements at the end of the training program. One hundred participants will be recruited from local community-based organizations that already provide wrap-around services to the populations of interest, such as women who are chronically underemployed and justice-impacted individuals.<sup>44</sup> They are also hoping to recruit high school graduates to provide them a pathway to jobs soon after graduation. The partnership plans to leverage the apprenticeship expertise of the building trades to build out apprenticeships for warehouse and trucking jobs, as well.



### *Learnings for the Nail Salon Sector*

- Start by creating programming that prioritizes worker needs.
- When the convening organization is designing a curriculum, keep in mind that employers may not be comfortable with conversations that may come up in worker rights training on reporting employers. It may lead to strained relationships or even a lack of employer willingness to collaborate in the partnership.

- Training cannot be done in isolation; it should be offered along with support services and with the intent of establishing career pathways, and improving equity, job quality, and climate resilience. Align training with opportunities for the partnership to advance the industry as a whole.
- Step away from the emphasis on assessing results by the number of people trained. Instead, focus on collective conversations toward improvements for the whole industry that involves all stakeholders. It doesn't matter if 30 people are trained if only three of thousands of employers in the industry are on board with the high road principles.

### **Participant Retention Tips**

- » Continuous outreach is a good strategy for participant retention, even where there is no program to offer.
- » Engaging workers' children creates long-lasting relationships.
- » Offer continuous training at worksites.

## **c. Advancing Equity**



### ***The High Road to Janitorial Services H RTP***

BSP specializes in designing workforce development approaches for immigrant workers who are adjusting to a new country and facing obstacles to their career advancement. Most of the workers BSP serves are from Latin America (95%), 70% are women, and less than 30% are formally educated beyond the sixth grade. Many of the workers are monolingual Spanish speakers who struggle with tests, lack transportation and childcare, have family obligations, and hold second or third jobs. BSP creates curricula in partnership with property service workers, and offers courses at worksites during paid work time, with instruction and certification testing in Spanish for learners at a wide range of educational levels. BSP values worker wisdom and promotes opportunities for workers to become leaders at their worksites and in their communities. For instance, the training to implement and maintain sustainable practices within commercial buildings are also carried over to workers' homes and communities and into the classroom, where experienced workers have the opportunity to become training instructors.<sup>45</sup>



### *The High Road to Logistics H RTP*

When the High Road to Logistics H RTP analyzed worker demographics in warehouses in the region, they found mostly white male union members. When they investigated access to the industry, and it reflected the same patterns of racism and sexism present in wider society, and often pass unperceived as common practice. There is no pathway or support system explicitly created for people who have historically experienced difficulty securing union warehousing jobs. The High Road to Logistics H RTP is creating that pathway as the goods movement sector is changing: clean energy efforts now call for clean trucks and maintenance, operation, and installation of the equipment for electric vehicles. They will collaborate with local nonprofits that work with formerly incarcerated people and immigrant workers to create opportunities for employment in the newly generated jobs.



### *Learnings for the Nail Salon Sector*

- Identify race and gender disparities in the industry.
- Prioritize marginalized communities by customizing the convening organization's services and approaches and identifying ways to build worker leaders.
- Investigate opportunities and benefits that already exist in individual nail salons that could be leveraged to create standards and equitable pathways across nail salons in the industry. Consider opportunities and benefits like healthcare, pensions, pathways toward supervisory and managerial positions, vacation time, and so on.
- There is no need to reinvent the wheel. Partner with and elevate organizations that work with the most underserved communities.

#### **Consider the following questions:**

- » Are there pathways for upward mobility like managerial or supervisory roles? Who gets access to them?
- » Are the jobs this industry is generating accessible to the community surrounding this workplace?
- » How are the communities surrounding this workplace being impacted by this industry's activities?

## d. Advancing Climate Resilience

HRTPs recognize that strategies to reduce climate impact will require changes to industry operations and workforce practices. They work with each firm to determine its contribution to carbon emissions and make changes to significantly decrease or eliminate them.



### *The High Road to Janitorial Services H RTP*

One of the problems the High Road to Janitorial Services H RTP is trying to address is energy consumption in commercial buildings where janitors work through its Green Janitor Program (GJEP). As mentioned above, the partnership identified skills and training to address janitorial services industry needs while simultaneously helping commercial buildings reach their sustainability goals. Together, BSP, USGBC-LA,<sup>46</sup> and janitors created a green cleaning training curriculum to certify green janitors, addressed energy efficiency, and added these standards to the LEED credentialing system. Certified green janitors now help buildings qualify for an additional point toward the USGBC's LEED green building rating system<sup>47</sup> and play a critical role in addressing water, waste, and energy inefficiencies in the buildings where they work.<sup>48</sup>



### *The High Road to Logistics H RTP*

Another reason why the High Road to Logistics H RTP's work focuses on the Inland Empire is the region's ranking as the area with the worst air quality in the nation. Trucking and warehousing are large contributors to those conditions; therefore, their work includes developing policies on warehousing locations to protect communities from toxic environments, working with employers to electrify their equipment, raising the quality of jobs in the industry, and implemented training for warehousing jobs.

As the state moves toward zero emission goals, the trucking and warehousing industries are being pressured to make significant technological changes. Companies are experiencing difficulty adopting electric vehicles even with government incentives in place. In the past, companies invested in technologies like natural gas trucks that were still under development and did not reach anticipated potential, severely impacting the companies' subsistence. The High Road to Logistics H RTP is supporting the transition to clean energy and addressing environmental and labor concerns by creating a pathway for workers to these new jobs through apprenticeships.



### *Learnings for the Nail Salon Sector*

- Make sure there is a collective awareness of the industry's contributions to your state's climate issues.
- Identify climate policies and/or mandates that may impact your industry. It can create an opportunity to have conversations with employers about future technological transitions and how you may be able to support.
- Identify opportunities for labor and environmentalists to work together towards a common goal.

## **e. Advancing Job Quality**



### *The High Road to Janitorial Services*

BSP's floor care program provides one of the clearest pathways to a higher-paying job for janitors, given the wage differential that is inherent to collective bargaining agreements. Currently, there is a lack of clarity on the merits and process it takes to become a floor care worker, so BSP is encouraging companies to have an equitable system that includes offering a course on higher-paying floor care jobs to open access to individuals who have been in the industry for several years. There is also a focus on making the opportunity available to women; the industry is made up of a majority of women, yet it's a majority of men who hold floor care jobs because of gendered misperceptions on using heavy machinery. Given this dynamic, it is the men who obtain higher wages in floor care and therefore access opportunities for upskilling and career pathways that emerge from that position into roles as a lead person, a supervisor, and district manager.<sup>49</sup>



### *The High Road to Logistics*

The High Road to Logistics H RTP has identified partners in the Teamsters, the Inland Empire Labor Council, and the Building Trades that want to create new apprenticeships and pathways to unionized warehousing and trucking jobs. They are also interested in long-term opportunities that may arise, like creating worker participation in building the infrastructure for electric charging vehicles.



### *Learnings for the Nail Salon Sector*

- Job quality goes beyond wages. When developing an H RTP, its goals, and its planned interventions, start with jobs that are in demand and develop strategies to raise the industry floor. These strategies can include defining career pathways; promoting the health and safety of workers, workplaces, and community; integrating fringe benefits; and so on.
- Secure wage differentials and/or bonuses by identifying specialized and highly coveted skills that workers can use to advocate for them with employers. Feedback from employers can provide insights on their willingness to raise wages.
- Pre-apprenticeships and apprenticeships can provide workers with opportunities to upskill and help create career pathways.

#### **Consider the following questions:**

- » Are there career pathways, benefits, and best practices that some nail salons offer that can be used to leverage industry standardization negotiations?
- » Are there occupations that require specialized skills in the nail salon industry that can help advocate for higher wages?

## **3. Workers and Owners' Perspectives on the Feasibility of H RTPs for Nail Salons**

Through the H RTP Initiative, the state recognizes that low-wage industries operate in ways that discourage job creation, and believes that employers should not compete at the expense of workers and the broader community. The H RTP Initiative demonstrated that this approach can be adopted in unionized industries. As it is growing, there is interest in exploring if it can show promise in a non-unionized, low-wage industry context as well. Currently, only two H RTPs are led by worker centers that share similarities with the California Healthy Nail Salon Collaborative. Forming an H RTP in the nail salon industry would create a lasting infrastructure for workforce development that lifts industry standards, advances worker power, and reaches communities that have been historically disenfranchised, helping to create an economy in which all communities thrive. In the following section, workers and owners respond to their understanding of and interest in forming an H RTP.

## a. Workforce Development Programs and Industry Growth

To better understand their industries and needs, HRTPs solicit the expertise of workers and employers alike. Together, they can identify the changing nature of the work, the skills needed to succeed on the job, and the barriers that have often made it hard to meet workforce demand.



### *What Could Work*

Owners in California noted that the nail salon sector is always evolving. New techniques and new products are introduced often, which requires owners to stay updated with the latest trends. Workers in Boston also commented on the changing nature of nail salon work as technology and innovations are introduced to the industry, noting that both the owners and workers need to learn and stay up-to-date. Changes in regulations also affect the way in which nail salons conduct their business, with some workers observing that sometimes it is difficult to keep up.

Owners also commented that the industry will continue to grow, with more salons opening. One owner observed that the industry will likely experience a labor shortage since it is difficult to find workers: “The next 5 years will be very difficult for the nail industry. Because it’s very difficult to find employees [...] in the future there will be... gradually then... a humongous number of nail salons, but there are no workers.”



### *Potential Challenges*

Both owners and workers share the concern over how few avenues exist for worker upskilling, with many stating that such opportunities were limited to the learning of new techniques or using of new products. Workers’ experiences exemplify the lack of infrastructure for contemporary training and skills development, as well as the need for further worker education on the safe use of nail salon products. One worker in California shared that owners usually leave workers to figure out training opportunities on their own. They pointed out that owners seldom train workers on the job, unless they are favored by the owner or are part of their inner circle: “The owners, they only train their own brothers and sisters, otherwise they would never train workers.” Another worker in California noted that they are wary of learning how to use some of the newer products, since it could be harmful to their health.

Most workers shared that training often happens on the job; they can learn new skills from other workers or from the owners. In fact, one worker shared that since the owners are responsible for purchasing supplies and are more likely to stay informed about new techniques and products, it is

their responsibility to teach their workers how to use them. In addition, when asked if they would like training that would teach them how to become owners one day, some workers said that such training was unnecessary. Instead, they commented that they learned how to run a salon by working in one. Some of the lessons they've learned are to "be smart," "knowing how to share," and "keep the workers happy."

Other workers turn to social media to learn about new developments in the industry and get training on new techniques or products. But this approach to upskilling (watching videos on social media to learn new techniques) can be burdensome to many workers, especially when they are juggling other responsibilities such as second jobs or family caretaking. One worker said, "I find that after work from a nail salon, I rarely watch those things. You know what? I am so tired. I have worked since the morning until evening. After work, I have to care for my children. Those are for people who have more time to browse and to watch."

Workers were also unsure if there are any specific training programs targeted at owners. And aside from the lack of support to gain new skills, throughout the focus groups many workers stated that not knowing or speaking English remains a barrier for training and career advancement. In fact, California and Boston workers perceive their lack of English skills was the biggest barrier for both workers and owners.

## **b. Forming a Partnership**

Successful HRTPs start with the commitment of the stakeholders to work in partnership. The partners represent workers and employers, and together share authority and decision-making over the direction of the programs working to meet the industry's needs.



### ***What Could Work***

In focus groups, owners in California seemed amenable to forming a partnership or establishing a joint body with workers to address issues in the industry. Some discussed the importance of listening to different parties and agreed that decisions taken by this body/partnership could be significant, as the partnership would represent the unified voice of workers and owners: "When we are in unison, strength-wise, mind-wise, and opinion-wise, it is always powerful."

In noting their openness to form a multi-stakeholder partnership, many owners said that they were familiar with the issues workers face because they started in the industry as workers. Some even noted that they have cycled through periods of being workers and owners.

Workers in California also favored the idea, noting that a partnership could help establish rules and practices that would apply to all salons. They consider this as an improvement over having to deal with issues on an individual salon basis. This would be beneficial particularly for salons where workers are afraid to speak up for fear of retaliation or where workers' feedback and concerns are often dismissed: "As for speaking up, for example, not everyone can. Only thanks to the type of association that [...] could promulgate this law, which may work. For example, we work for pay, we never speak up for what, and we cannot speak up, which yields nothing." Workers also observed that a multi-stakeholder partnership could support conflict resolution, unfair competition and pricing, and workforce development.



### *Potential Challenges*

Workers in Boston, on the other hand, seemed resistant to the idea of working in partnership with salon owners. They expressed reservations about the owners' openness to implement workers' suggestions, as such suggestions are routinely dismissed.

Some owners in California were also skeptical about working side-by-side with other owners and workers, noting that different personalities could clash with each other. Others asserted that it would be difficult as there are often competing agendas, and owners' willingness to cooperate might vary: "Some people like to cooperate, some people don't [...] I find that many owners are difficult, not easy." Another owner observed that there is yet no unity or solidarity in the sector.

We note that some existing HRTPs have hired a neutral third-party consultant to help identify alignment between employers and workers. Many HRTPs have also used focus groups, online surveys, and other assessments to gather important information at the field level. These tools also help share the perspectives of workers and employers about what is needed to grow commitment and trust in the partnerships.

## **c. Industry Leadership**

HRTPs are formed of industry leaders—representatives of employers and workers—who work together to identify industry issues and solutions. In an industry composed mainly of mom-and-pop businesses and a non-unionized workforce, identifying industry leaders can be challenging.



### *What Could Work*

Among California owners and workers, there is a shared perspective that the history of the CHNSC's outreach and advocacy relationships in the community has positioned it as an industry

leader. Many workers pointed out the ability of worker advocacy organizations to connect with different stakeholders. One owner commented that “[CHNSC staff] are the best. Well, talking in a way that people listen to, people can participate. If it were us, or the brother who is talking, it’s hard to talk to people, and people won’t cooperate much. Then [CHNSC staff] speak, maybe people would cooperate more, people trust more.”

In Boston, though some workers did not name any particular industry leader, they generally found that workers who are talented—especially with designs, customers, and language skills—represent who they imagined to be ideal. Additionally, they described workers who have social media influence as potential leaders.

H RTP-type meetings could be instrumental in building stronger relationships between owners and workers as well, especially if they are mediated by a third party, like a community organization. In California, owners were receptive to this idea: they noted that it would be important to have a facilitator who is experienced, knowledgeable and with strong communication skills, and able to connect with workers and owners alike.

Lastly, California owners also shared ways that leadership could be developed in the nail salon sector. One of the key strategies owners shared was to bring together different groups so that they can build and establish relationships with other stakeholders in the industry.



### *Potential Challenges*

One of the biggest challenges focus group participants identified in establishing H RTPs is the lack of leadership figures in the industry. In California, some owners attributed this to the lack of relationships between owners and other stakeholders, while others to the pandemic as it disrupted the existing networks: “It’s been too long since the pandemic, it’s been a few years, so it’s a bit difficult.”

Some workers in Boston were unable to identify specific or even general industry leaders. Most said that the industry is composed of owners and workers in individual salons. While owners could be seen as the “leaders” in each salon, they are not considered as leaders across the sector, pointing to the atomized nature of the industry. As one worker observed, “About leadership, there is only one, the owners. In reality, we are just workers. We have not been able to see anybody. Because, there is no leader in the nail work. That’s that. No leader(s) in nail work. There are only owners. Only nail owners and workers, nobody else.”





## IV. Summary of Approaches: Sectoral Boards

### 1. Overview of Sectoral Bargaining Through Boards

#### a. What is Sectoral Bargaining?

Sectoral bargaining brings together workers, employers, and other stakeholders who develop labor standards that address wage floors, workplace policies, and/or benefits, and that apply to a specific, defined industry, or a sector. Sectoral bargaining provides an opportunity to set standards for an entire industry in a way that overcomes any challenges in negotiating for those terms on an individual workplace by workplace, or even company by company basis. Such bargaining can be especially useful in largely non-unionized sectors where 1) wages, benefits, and work standards are already low, and 2) the ability to negotiate across multiple businesses in an industry is especially complicated.

Common in Europe and Australia and at their peak in the early 1900s in the U.S., sectoral bargaining approaches have been regaining momentum domestically. In 2022, the FAST Recovery Act in California set up a 10-person council for the fast food industry that will develop standards around issues like wages, health and safety, security, recourse from retaliation, and the right to be free from discrimination.<sup>50</sup> New York also introduced the Nail Salon Minimum Standards Council Act in 2022 to create a council that would develop recommendations around issues such as wages, paid time off, and training for the nail salon sector.<sup>51</sup>

## **b. Benefits and Challenges of Sectoral Bargaining and Boards**

The current literature on sectoral bargaining considers the failures of labor law and existing unionizing models to meet the needs of industries not yet a part of a union, and that are difficult to organize. With the drop of union memberships from 35% in the 1950s to 10% in 2021, more low-wage workers are unprotected by organized labor.<sup>52</sup>

Sectoral bargaining provides a strategy to organize in a single industry that is dominated by small businesses owned by different owners, as well as in industries that have moved to hiring temporary or subcontracted workers and independent contractors. Sectoral bargaining can cover all workers within a specific industry, and promote worker standards.<sup>53</sup>

A key component of sectoral bargaining is that it allows for collective representation to counter poor wages and working conditions in the form of labor standards boards or wage boards. These boards bring together workers, employers, and other stakeholders, such as community representatives or government officials, with equal decision-making power. It has been shown to increase wages by 14% in comparison to other workers, and to ensure employer-provided health and retirement benefits.<sup>54</sup>

However, there are also challenges. The authority of the board can vary from offering policy or governmental recommendations to one of a quasi-legislative role. It can also be time consuming, including monthly board meetings and other committee preparations or meetings, making it especially challenging for worker participants who are taking time away from earning an income to participate. It can also be difficult for non-English speaking members or knowledge of labor standards jargon. Lastly, without long-term support from a union or worker organization, the board process and policy can shift away from establishing relevant labor standards. Nonetheless, the board provides workers a direct representative in the bargaining process and a structure to support permanent worker institutional power.

## 2. Creating Labor Standards and Wage Boards: Key Components

To better understand how the sectoral or wage board can function for and impact the nail salon industry, we conducted in-depth interviews with two organizations, the Seattle Domestic Workers Coalition (SDWC), which helped establish the Seattle Domestic Workers Standards Board (DWSB), and Service Employees International Union (SEIU)'s Fast Food Worker Campaign, which helped create the New York Fast Food Wage Board (FFWB). Both organizations' experiences offer a glimpse into the development of these types of boards and their gains in their respective regions and industries, in terms of: board structure, representation, main tasks, challenges faced, and outcomes. In this section, we provide an overview of the two boards, and delve into their creation and implementation to understand best practices and challenges. This information includes effective labor and wage board applications to the nail salon sector.

### *What is a Labor Standards Board?*

A labor standards board is a group of people who set standards for a specific sector. They provide oversight that can include setting parameters for wages, but also address other workplace issues like benefits, training, and paid leave.<sup>55</sup> The board can be set up at state or local level and through law, such as state legislation or a local ordinance. Boards can be assigned a set number of members and include the different stakeholder groups such as labor, business, government, or the public. An advantage of a labor standards board is that it can be applied to workers of different employment statuses such as part-time, sub-contracted, and independent contractors, etc.

#### **Seattle Domestic Workers Standards Board (DWSB)**

The Seattle Domestic Workers Ordinance passed in 2018, establishing new labor standards for workers and a sectoral board.<sup>56</sup> The city ordinance emerged through the advocacy efforts of the Seattle Domestic Workers Alliance (SDWA),<sup>57</sup> which had been pushing for a bill of rights to address labor exclusions in the industry. With a champion at the city level, the SDWA were successful in extending labor protections, such as a guaranteed minimum wage and meal and rest breaks to domestic workers, and developing the sectoral board, or the DWSB, that would explore additional needs and policies for the industry.

In May 2021, the DWSB submitted recommendations to the City Council, which focused on education and benefits. Three years had passed since the 2018 ordinance initially expanded labor protections, but many workers and employers remained uninformed about them. The DWSB recommended funding to expand staffing for outreach to workers and employers as well as for resource materials. They also sought funding to create safety net measures, such as a lost wages fund and protection from anti-retaliation for workers who made claims. The DWSB is also aiming to develop a portable benefits program, where employers contribute to a fund used by workers for paid time off. On November 2021, the Seattle City Council unanimously approved the portable benefits initiative for domestic workers, securing half a million dollars in funding for its development.

### ***What is a Wage Board?***

A wage board is a group of people called together by a government body to set minimum pay standards for a sector, region, or occupation. As a temporary or long-term government body, a wage board or council is only currently allowed by law in four states: California, Colorado, New Jersey, and New York. It consists of representatives from labor, business, and public representatives. The board is a mechanism to raise wages for those who are at the bottom and the middle of their job type in a sector.<sup>58</sup> Wage boards can rely on economic and social factors like “productivity,” cost of living, and work testimonies to establish their parameters.<sup>59</sup>

### **New York Fast Food Wage Board (FFWB)**

New York State created a New York FFWB for fast food workers in 2015. In the same year, the state approved the FFWB’s recommendations to raise fast food workers’ wages statewide. As a part of SEIU’s Fight for \$15 and a Union campaign, the organizing that led to the formation of the FFWB began in November 2012, when New York City held the first strike for fast food workers in the country.<sup>60</sup> Campaign researchers recognized the need for innovative strategies to address poor wages in the industry, and began looking for regulatory avenues to do so early on. At that time, nine states had the structure to call for a “wage board” in their laws, including New York, but since then five states cut the provision and only four remain. The last time an attempt was made to use the wage board law in New York was in 1962.<sup>61</sup>



## Comparing Three Industries: Nail Salons, Fast Food, and Domestic Work

The nail salon, domestic work, and fast food industries are principally composed of workers of color who earn low wages. Each industry has a majority immigrant, female, limited-English proficiency workforce located in either small businesses—whether franchisees or individual agencies—or as individual staff in a private household. The domestic work and nail salon industries also draw from a complicated work structure, including both employees and independent contractors, which often perpetuates issues of misclassification.

The nail salon sector is dominated by small business, mom-and-pop salons, with the majority having fewer than ten employees. In the fast food industry, by contrast, franchisees are individual businesses that contract with a larger chain company, with a franchisor exercising a fair amount of control. In some cases, the franchisor may run its own franchisees.

In contrast, domestic work is structured at the individual household level. There are often one or two people who oversee the domestic worker employment relationship. In addition, working in the household for a family often complicates the emotions and communication in employer-employee relationships, and can often reveal different kinds of manipulation. There is little oversight of labor laws and limitations on enforcing protections when the work is hidden in personal homes.

### a. Board Development, Representation, and Process for Selecting Members



#### *Domestic Workers Standards Board*

The DWSB membership included an equal number of domestic workers and employers (or representatives from worker or hiring organizations) and one community representative. The DWSB initially started with nine members and then expanded to the full board of 13 with three-year terms.<sup>62</sup> Board members were appointed by the Mayor and the City Council, with one position elected by the board itself. The SDWC played a key role in recommending board members to the appointers, and board members were more likely to hear about the opportunity through one of the community organizations.



#### *Fast Food Wage Board*

Per state law, wage boards in New York are small and comprise only three people, appointed by the governor. This includes one representative each from labor, government, and industry. In New York, the industry representative does not have to be from the same industry seeking

to address wage issues. One of the representatives must chair the board, and these are unpaid positions, but they do each receive a Chief of Staff. In the FFWB, SEIU played an important role in recommending the labor representative, Mike Fishman, who was the Vice President of SEIU; the government representative was the Mayor of Buffalo; and the industry representative, Kevin Ryan, was from the corporate tech sector. Each had thousands of pages to read to prepare for the role. They also had to attend hearings and make policy recommendations.

**Table 1: Board Membership**

Type of Member	Domestic Work	Fast Food
Worker or worker organization representative	6	1
Hiring entities, or someone from an organization representing hiring entities	6	1
Community representative (from vulnerable populations, i.e., disability rights advocates)	1	
Government representative		1
<b>Total Members</b>	13	3

## b. Board Structure and Process



### *Domestic Workers Standards Board*

Once launched, the DWSB members had to create the board structure. It took time for the board members to solidify the structure—for them to run their meetings, understand their power and authority, and implement the process. It was housed in the City of Seattle’s Office of Labor Standard (OLS), under the Mayor’s office. The ordinance included budget and staffing support from the OLS. The OLS staff played a key role in supporting the board members as they set up. The DWSB also received orientation and training or technical support on: the legal process, how to work with legislators, facilitation, and decision-making.

The DWSB developed bylaws, chaired their own meetings, set the public meetings and frequencies, and developed a two-year work plan. They held monthly public meetings with public comment, but needed a working space. The DWSB created three subcommittees that were focused on specific work areas. These meetings were open to the public but lacked the need for quorum, as they were not decision-making bodies.

Over time, with training, infrastructure development, and community partner support, the DWSB concretized its structure and process. Among members, there was a noticeable feeling of empowerment and ownership of the board.



### *Fast Food Wage Board*

Wage boards in New York are housed under the New York State Department of Labor. Generally, the governor directs the labor commissioner to convene a wage board for the purposes of investigating whether the wages of an industry or occupation are sufficient.<sup>63</sup> The governor may invoke a board for any sector that must be defined by industry or occupation, with at least 50 employees in a set geography.

Once appointed, the board has oversight to recommend new wages, and submits them to the governor for final approval. Such a process is prescribed by New York State laws. After the board gets called and three people are appointed, the New York Department of Labor issues a report to the board about the industry that describes and assesses existing conditions, wages, and livability. Next, the board holds hearings and takes submissions for public comments within a set time frame of three months in order to make its wage recommendations. Last, the governor finally accepts or rejects the recommendations.

**Table 2: Board Structure Process**

	Step 1	Step 2	Step 3		Step 4
Domestic Workers	Orientation, trainings, co-chairs, running meetings	Create bylaws, decision making, roles, delegating	Public engagement: public hearings, listening sessions, surveys	Subcommittee (not quorum) to work on specific areas	Develop and submit recommendations
Fast Food	Governor asks Labor Commissioner to convene a wage board	Three representatives are appointed	Report created for the board on industry conditions	The board holds hearings for public comments over three months	Makes recommendations to the governor



### *Learnings for the Nail Salon Sector*

- All board members should receive an orientation and participate in an onboarding process, since members may be new to serving on the board.
- Community partners can play a role in recommending potential board members.
- The board should seek training and infrastructure support for topics like board administration, legal processes, and meeting facilitation. Board members should be supported so that they are able to chair their meetings and set the agenda.
- The board should be clear on its authority and oversight. There may be additional training or processes required to clarify this, e.g. what do they have power over, or what are they delegating?
- The board process should ensure accountability. If the board can only provide recommendations, there should be a time limit on when the government responds.
- The board should take time to create internal structures and a work plan if there is not one already in place.
- The board may want to create subcommittees to allow them additional time to work on the recommendations.
- Community organizations are critical to supporting board members; they can attend meetings, engage in outreach to workers and employers to increase meeting attendance, and provide training and infrastructure support.
- **When it comes to making recommendations**, workers and employers will need goal and vision alignment. If there are conflicts there, more time and a process for negotiation and compromise will be required.

## c. Equity and Racial, Disability, and Language Justice in the Board Process



### *Domestic Workers Standards Board*

Since some of their members were new to board service, DWSB created training and sought outside expert support. They also prioritized training and conversations around racial justice and

equity to ensure that all board members, and especially worker members, felt empowered in the official board capacity and governmental space. In addition, community partners stayed involved in the board process and supported many of the individual board members.

The DWSB also needed to ascertain they had common understandings of equity and racial and language justice. This was especially important in creating an inclusive and empowering space, particularly for workers. The board's materials and procedures needed to be multilingual, with interpretation provided and materials translated. Racial and class dynamics had to be addressed so that all members felt comfortable contributing and having their voice heard. The DWSB further engaged in work around values, principles, and anti-racism work. It had conversations about organizational culture, white supremacy, and dominant culture, noting who was more comfortable speaking and took up space. The DWSB also had strong employer alignment from a shared interest of dignity and care for everybody.

The issue of compensation for domestic workers surfaced right away. Participating in the DWSB which was time-consuming, and meant that workers who were not staff members at organizations were losing time to work and earn an income. This was a barrier for workers, and some left as a result. After a request to secure additional funding was met, the DWSB used a consensus and community-engaged process for decision-making around the new and expanded budget. They conducted an Equity and Results training, which consisted of six sessions with an outside facilitator to develop consensus on how to spend the funds and prioritize recommendations.



### *Learnings for the Nail Salon Sector*

- To ensure language justice and accessibility, all aspects of the board process, from board meetings and public hearings to online materials, need to have resources for translation and interpretation in the languages of that workforce.
- Though board member positions are uncompensated, workers should be paid for their time on the board. Working in low-wage industries without paid time off and serving in board roles that require significant time investment leaves workers with little ability to participate without compensation.
- Boards should internally train on equity issues and name and address any class, race, ability, and/or gender dynamics within the board. The process should ensure that the board space is inclusive and allows all members to feel empowered to speak and participate, particularly workers who may feel shut out of the bureaucratic process.

- Consensus-building and participatory processes can be a part of a board's decision-making process and set up a stronger, accountable process. Any funding for the board should go through a participatory budgeting process to ensure that funding aligns with board priorities. The board may need to bring in outside facilitators or additional training, both of which will require funding.

**Consider the following questions:**

- » How will you train and support workers recommended to become board members?
- » How will you make members of different races, genders, immigration status, and language proficiencies feel comfortable in their capacity as a board member and in governmental spaces that may feel alienating?
- » How do you plan on compensating nail salon workers and possibly employers for their time and participation in the board?
- » What mechanisms will you create to ensure broader worker and sector participation beyond those serving as board members?

## d. Defining Workers and Employers



### *Fast Food Wage Board*

One major task for the FFWB included defining the industry to determine who would fall under the ability to receive a wage increase in any proposed and final recommendations. In other words, the campaign crafted a strategy to “make sure that fast food was defined as broadly as possible” and that it “covered the full industry and the entire state.” This act of defining occurred early in the FFWB process and was shaped throughout public comment. To start, in order for a wage board to be invoked, the governor had to set who an applicable worker is within an industry or occupation, as well as where, or within a specified geography. Additionally, once the board was set in motion, hearings and submitted testimony were an important site to reinforce definitions. A campaign staff reiterated, “We had to define who would be in and out.”

SEIU assisted in naming what was a part of the industry of fast food. This meant capturing the various segments in fast food, like “hamburgers,” “chicken,” “pizza,” “Italian,” “Asian,” and “Mexican” fast foods. It also included shops that were for “snack” foods, like coffee, ice cream, or smoothies.

Research was required to say that this is an industry and snack was included in the wage board order.

SEIU also had to address what type of chain companies counted. A staff member said, “Some would consider the number of units a chain has globally, or state-wide, but we did nationally.”

Because the fast food industry is dominated by chains, the campaign chose any chain with 30 or more shops across the country. Ultimately, approximately 80 applicable fast food chains in New York were included, which in effect excluded small, mom-and-pop businesses.

Moreso, SEIU had to work to incorporate franchises in the definition. The goal was to get franchisees treated as a single employer with their chain, and not as an independent business for the purposes of the FFWB. This would distinguish franchisees from the rhetoric that they were small businesses that deserved a carve-out of any wage recommendations.

Finally, SEIU had to tackle workers’ geography. There was concern that the FFWB would suggest fast food workers’ wages were a “New York City issue” only. SEIU focused on issues across the state, emphasizing that the industry’s poor conditions had an impact on workers in upstate New York as much as elsewhere in the state.

**Table 3: Defining Fast Food Workers**

<b>Definitional Challenge</b>	<b>Details</b>
Fast Food Segments	Any type of fast food, from specialties like hamburger and pizza to snacks like coffee and ice cream.
Type of Chain	Any chain with 30 or more units nationally. This benchmark included approximately 80 applicable fast food chains in New York and in effect excluded small, mom-and-pop businesses.
Including Franchisees	Franchisees are not independent businesses for the purposes of the wage board.
Statewide Geography	The coverage includes the whole state, and is not limited to New York City only.



### *Domestic Workers Standards Board*

The DWSB also had to think about terminology and definitions. They strategically used the term “hiring entity,” which was inclusive of agencies as well as individual household employers. Employee status also varies in the industry, where they may be employees or independent contractors (with many misclassified as contractors and deprived of workplace benefits and protections).



### *Learnings for the Nail Salon Sector*

- In both design and implementation, the entities and people included on the board should be informed by industry research, understanding of the business, ownership structure, and what creates a democratic and inclusive board.
- There may be the need for public hearings or other forms of input and negotiations to decide on what types of businesses and employees will be included.
- It is also important to understand what kind of employer and employee relationships exist in the industry and how different classifications should be addressed, such as independent contractors, part-time workers, and more.
- Consider what regions should be included in the increases, benefits, and/or standards being proposed.

#### **Consider the following questions:**

- » How do you define which businesses and workers count as a part of the nail salon sector?
- » How will a campaign on raising the minimum wage impact independent contractors, who may or may not be misclassified?

## **e. Community Engagement and Participation**



### *Domestic Workers Standards Board*

In Seattle, community partners were also integral in supporting DWSB members and ensuring they had the information they needed. Board members without that community support had a

harder time in the position, often not understanding what was going on. The board wanted to ensure they were engaging a broader community in addition to keeping the meetings accessible and inclusive. The board created surveys, focus groups, and listening sessions and worked closely with partner organizations throughout the process.

Community organizations stayed engaged throughout the process, recommending board members, attending meetings, supporting individual board members, and ensuring that the board and agency stayed accountable. They also made sure to invite domestic workers to the meetings and subcommittees to make sure the DWSB was listening to their opinions.



### *Fast Food Wage Board*

In New York, the FFWB held five public hearings across the state, in Albany, Buffalo, Long Island, New York City, and Syracuse. SEIU had to coordinate with fast food leaders and allies and their efforts in each city in order to organize as many fast food workers and supporters as possible to attend their closest hearing. SEIU was able to get at least 50 workers to speak at each hearing, which often went as long as five to six hours. Because there were so many attendees providing public comment, the board would queue five people at a time. Testimonies ranged in length and were in multiple languages with English interpretation.

In the public hearings, fast food workers and allies would talk about worker living situations and conditions, describing difficult experiences. A SEIU staff noted that the hearings “gave workers a lot of agency.” Politicians, city council members, and other officials were also asked to testify or submit testimony at the hearings. The hearings gave allies something to do that “felt concrete and powerful.” SEIU staff also testified towards the end to reinforce what was said, and to ensure the evidence was in the record.

Board members and those in the audience were often in tears in response to the starkness of conditions depicted in speeches at the hearings. One staff member conveyed that even in that particular context, the testimonies given were not gratuitous displays of poverty, but rather “real people speaking truth to their own power.” While a few franchisees did end up commenting in opposition to make the case that they were independent businesses, the Franchise Association never submitted testimony.

SEIU members also sought to shift the common perception of fast food workers outside of the hearings. SEIU strategically ran a program that placed op-eds in local papers around the time of that region’s public hearing. According to a staff member, the campaign especially challenged the notion that people in the industry were “high school kids getting money to take their girlfriends on dates” and instead emphasized “that they were older people, supporting families

with children, college educated.” This is a low-wage, family-supporting sector, where workers live in poverty and half are on public assistance, while the industry is rich. The staff member also felt that media coverage both at and outside the hearings represented the fast food workers’ cause, covering it often that year because the efforts were progressing.



### *Learnings for the Nail Salon Sector*

- Community partners can play an important role in the process of establishing. They can support workers, provide additional training and give them backing when it’s time to put forward recommendations.
- The board must engage with the broader worker and employer community as it designs its recommendations. The board should conduct surveys, focus groups, and listening sessions with workers and employers to shape its priorities and plan. Community partners can also support vetting of worker and employer board members through their membership bases.
- Outreach and awareness about the public hearings should be planned and coordinated to ensure that workers and employers know about and attend the public meetings and offer testimony and input. Language accessibility is required at the meetings so that everyone can participate.
- The board can offer a space to do visionary work with policymakers and agency staff, while ascertaining what is possible within administrative and legal restrictions.

#### **Consider the following questions:**

- » What are ways to be inclusive of workers and other stakeholders as the board sets its priorities and recommendations?
- » How can research be supported and incorporated in the board process to gather information from key constituents?
- » What capacity do community partners have to support board members in collaborating with constituents and stakeholders?

## f. What Did the Board Accomplish?



### *Domestic Workers Standards Board*

In Seattle, the 2018 ordinance created new legal measures for domestic workers and the DWSB was to make recommendations on what the sector needed next. They could put forward legislation, policy change, or changes to the City's outreach, education and enforcement strategies. It was important for the DWSB members that it be a working and decision-making board that would push for accountability around the ordinance measures.

COVID-19 also deeply impacted the DWSB's work. They shifted some of their focus to broader issues impacting workers and residents, such as setting up a resource page for workers, supporting a rent moratorium, and speaking out about police violence.

Separate from the recommendations, the board helped build worker leadership and bring visibility to the sector. One interviewee described the power of the DWSB: "The labor standards boards do work. It is important for the workers to have one, it is a lot of work, but it is the way to give the nail salon workers, the gardeners more visibility, to those people that as myself don't fall into the stereotype of a regular job, ... our jobs are different and we need to keep fighting and use other means to be able to achieve changes."

**Table 4: Domestic Worker Board Recommendations**

<b>Recommendation</b>	<b>Advice</b>
<b>1. Invest in community expertise and building trust</b>	Use funding to expand outreach and education, including community organization staffing
<b>2. Provide more materials and resources to domestic workers and hiring entities</b>	Develop and deliver new and translated materials, requiring hiring entities to provide information to workers, and look into third-party platforms and affordable health care
<b>3. Implement policy changes to improve the Domestic Workers Ordinance</b>	Require hiring entities to provide rights information to workers
<b>4. Mandate portable benefits for domestic workers</b>	Create portable benefits systems to which hiring entities contribute, including paid time off fund



### *Fast Food Wage Board*

In New York, in July 2015, the FFWB recommended gradually increasing fast food workers' minimum wage to \$15 an hour over several years. The wage would reach \$15 by December 31, 2018 in New York City and by July 1, 2021 for the rest of the state the governor signed the raise. Ultimately a victory, the campaign found that the slower timeline for \$15 to reach the whole state was a compromise. Afterwards, the restaurant association tried to appeal the Wage Board's decision, but the campaign won that case.



### *Learnings for the Nail Salon Sector*

- The board may need to adapt its workplan or recommendations based on external consideration or timeline.
- Funding can be an important part of implementing the recommendations. How to advocate for funding and make decisions around it should be part of building the recommendations.
- There must be clear accountability and follow-up on what happens after the board makes its recommendations. This can include timelines for responses and implementation.
- There should be tracking and evaluation of the board process and outcomes.
- The board itself can be seen as an avenue for building worker power and leadership. Simply having a board for a sector can build visibility for both the sector and the labor issues it addresses.

#### **Consider the following questions:**

- » What funding sources are available (or could be advocated for) that could be applied to the board's priorities and recommendations?
- » What follow-up steps are built into the board process to ensure that the recommendations will be implemented?
- » How will the board measure its success?

### 3. Workers and Owners' Perspectives on the Feasibility of Boards for Nail Salons

The process of launching, developing, and implementing both the DWSB and the FFWB offer many lessons. In addition to setting standards for the sector, each fostered avenues to either build individual and collective power for board members or for workers. Having a sectoral board for both industries also brought visibility to the largely unsupported workforce and the issues they faced. In over two years, the DWSB solidified its structure, secured funding and developed industry recommendations. They presented their findings to the City Council, which was required to respond within three months. Similarly, in the shorter and one-off span of the FFWB, campaign staff and workers who participated in hearings helped broaden definitions of key questions, such as who qualifies to receive a wage increase and who counts as a worker. Both boards allowed the members or workers to be increasingly engaged with formal politics and have a path to democratic decision-making alongside council members and policymakers.

This section explores the responses of workers and owners related to how these key components of the wage and standards boards could (or could not) work for the nail salon sector.

#### a. Committee Work: Industry Issues and Changes

In the focus groups, both workers and owners had a range of ideas for shared committee work, including changes they would like to have addressed in the industry. Such information is particularly helpful for understanding what a labor standards board could create as an agenda.



#### *What Could Work*

California owners shared that they would join in order to address a number of challenging health issues in the industry, including improving nail and hair products and cosmetics and calling for healthier nail salons. Others named issues such as persistent inspectors, the failure to even consider a common rate for pedicures or manicures, and ongoing language issues. One owner thought the committee could help strengthen the layers of support needed, especially that of language assistance: “Almost all nail salon people don’t speak English and have no assistance with the language, so we need something like a combination of lawyers and others to protect the voices of the people in the nail and hair industry.”

Despite not knowing what policies for change they would want to create, Boston workers repeated interest in upgrading nail salons, at times without defining the type of upgrades they imagined. One said simply that “salons must be upgraded,” and that currently, salons are “left unattended.” Many also felt that the industry itself was “plateauing.”

A few Boston workers, however, mentioned specific needs around owner behaviors and the need for respect and trust. One worker found that “owners must also treat us well.” In that vein, a worker thought that an owner needed to foster better respect for workers’ issues and stories, as they felt that the owner often shared what they brought up with them with other people, and that created a lack of trust.



### *Potential Challenges*

Several California owners were unclear about the role of a committee in relation to industry issues. One didn’t know what laws a committee could focus on because they didn’t know whether current laws were beneficial to nail and hair salons. Another had never considered being a part of a council, so they didn’t know whether it would be beneficial or harmful for the future of the nail salon industry.

## **b. Pricing Minimums**

One particular strategy that workers and owners were interested in was setting a price minimum, which could create a baseline price at salons for certain services; this was also being explored by New York nail salon legislation. Labor standards boards have had a history of addressing pricing minimums in sectors where pricing has been a race to the bottom for a salon owner’s bottom line, thus impacting workers’ wages. Shifting pricing has been a strategy used by these kinds of boards to allow for salons to make ends meet and potentially for workers to receive higher wages. Low prices definitely hurt low-wage salon workers, but high prices have not necessarily meant higher wages.



### *What Could Work*

Owners in California were interested in establishing a council to address minimum pricing for the sector, but they emphasized the need for specificity. One worker highlighted the current issue of “fierce competition in the nail salon industry” related to the current range in pricing; with a program for minimum pricing, it “would be gone.”

Several California owners agreed that setting pricing minimums based on a neighborhood, or even blocks, would be helpful, as commercial leases also range based on neighborhood. For example, owners noted that if all salons in a downtown area had the same price, that would be great because “in Chinatown versus downtown, the rents are different.” Another owner added,

hypothetically, “If my rent is ten thousand dollars a month, and your rent is one thousand dollars a month, how can we charge the same price?” As commercial rents vary, owners wanted minimum pricing to be situated vis-a-vis location.

Ultimately, one California owner agreed that a discussion about shared or fair pricing would require agreement and participation in a group meeting. The owner compared it to an existing model in franchises, where nail salons located in Walmarts have to attend meetings together.



### *Potential Challenges*

A few California owners were less in agreement about pricing minimums; they argued that pricing should be based on a manicurist’s experience and wages, the level of service, and the quality of cosmetic supplies. For example, an owner described how service is different and supply costs are different. The owner said:

*“If I buy expensive things, or if I hire employees with a lot of experience, I have to pay a high wage. Then when they provide their services, we can set a high rate. And if we use stuff that is cheap[...], usually they are not good for our health, then we can charge any rate. Or they only hire newbies, then of course, it won’t be so beautiful, so how can we charge higher rates?”*

Another owner noted concerns with pricing based on salon compliance with minimum wage labor laws. The owner said, “There are other salons that pay 11, 12 bucks, there are some, 15 bucks,” so the lack of enforcement of minimum wage factors into overall salon earnings and pricing. In other words, setting a service price at the rate that allows customers to come in, workers to get paid at least minimum wage, the cost of supplies, and the regional range of commercial lease costs should all be factored into pricing considerations.

California workers were also concerned about the issue of unfair and low pricing and how it impacts their pay. One salon worker found that when prices go down, workers bear the impact: “If one salon’s price drops and we can’t compete, we have to follow suit and mark down too. Only workers bear the short end. It did not affect the owners much.” Another agreed that workers feel unfair and low pricing the most, and that a state board could intervene: “Nail [pricing] in, say, the state of California, must be the same. For example, a pedicure would cost such and such. They [a salon] can’t just put up a sign, indicating price reduction to attract customers, like 10% off, 20% off this and that. Who would be at the short end? The employees are.”

Workers in Boston echoed California workers' concerns about fair pricing. First, several workers shared that they wished that "salon owners stopped trying to lower the prices." On the one hand, they connected the continued low prices or even drop in prices with the rapid increase in the number of new nail salons opening. On the other, salon workers noted the tension of having to please the customers: "American customers, once they spend money, it must be worth their money." They also added more about the tension between quality and returning customers: "too much competition would make the price go down more often than it goes up, but the quality can't go down. Because if the quality goes down, customers won't come to us anymore."

### c. Forming a Committee or Council

Wage boards and labor standards boards require the participation of committed members, which include anywhere from three to over a dozen workers, employers, and other stakeholders often for a year or multiple years. Given this duration, owners and workers here reflect on their interest in joining a board or a council with other owners and/or workers, and the need to address labor standards.



#### *What Could Work*

California salon owners found that having a membership council or group would be beneficial to owners. They thought that it could focus on ongoing issues in the industry. For example, the council could be a collective organizing space: "There should be a council, so that [if] there is a problem, the council stands up to [it and], holds a meeting to make suggestions."

Owners initially created analogies to existing examples of membership-based groups. One owner related participating in a committee to other types of membership organizations that have "buy-ins" and thought about the example of Costco: they imagined how being a member in that instance offered everyone certain benefits from being a part of a group.

In California, workers ranged in their optimism for forming a committee or council. A few workers thought participation in a council would allow workers to become stronger in their effort to demand a range of benefits. One mentioned that their lack of "one voice and togetherness" was a hindrance to advocating for change. Several others agreed, especially when thinking about how "the nail industry has developed for 30, 40 years now, but there's still no council to let us stand up to demand benefits for the employees." In this instance, workers recognized the effectiveness of coming together.

One California worker added that creating a vehicle to represent them to talk to an owner would help, given a worker's fear to speak out. The worker emphasized concerns of retaliation when they had individually brought up issues at the workplace.



## *Potential Challenges*

A few owners, however, were unsure about joining a group because there are so many salon owners across the industry, and "some may want to join and others may not." One was skeptical, believing that nothing is free and that there must be some kind of fee or cost associated with participation. Ultimately, these owners felt uncertain about what it would take to participate; one way to address this is to make sure that owners and workers who participate in either wage or labor standards boards receive compensation for their time.

A few California workers thought unity would be difficult. For example, one said it would be very complicated because the industry has been there for decades and already has a range of ingrained practices. Another thought that everyone would want to protect their interests and would have different ideas. One worker described fear of retaliation in terms of their hesitation to participate in a council; they mentioned concerns about being in a shared meeting where other employers/employees were present and whether they would have to show their faces or sign something.

In Boston, workers hesitated to acknowledge a need to form a membership organization to make industry recommendations, yet at the same time highlighted possible recommendations. Several workers noted that there was no need to form a council or industry-advocacy body because to them, a few avenues for individually-based reconciliation already existed. For example, one worker found that changing the industry "really depends on the owners and the workers, not on a certain center" and that "I also don't want someone else to jump in." Another agreed that "in reality, when nail salon owners and workers talk to each other, they would not need recommendations to talk to each other." A few workers also noted that when they are displeased with salon conditions, they can use the individualized tool of quitting to handle salon-based issues; however, not all workers in the focus group agreed that they could leverage the threat of quitting in order to make workplace changes.

Some Boston workers demonstrated the need for more education about a wage or labor council. For example, they had a lack of clarity about what a council was in terms of what it could shift and the time it would require. One worker shared that "a council can only say general things, because it does not address certain salons' specificity." A different worker said that making policy recommendations requires time, and that recommendations may be complicated. Both

comments emphasized the need for more information on how wage or labor councils can be specific and that the work of the council can be short-term or multi-year.

#### d. Power Dynamics

Bringing workers and owners together in a room to talk about workplace issues, even solely for setting a wage increase, remains difficult if workers do not understand the potential of their role in changing the industry and who can make changes in the industry.

#### *What Workers Called the Owners' Responsibility*

California workers considered the power dynamics inherent in current labor- and worker-related decision-making. They specifically said that owners hold the power for decision-making and change. A few workers thought that even though forming a council would be important, the onus was on the owner. For example, one said, "It's up to the owners [...] to relieve the burdens on workers." Another added that "the hard part is whether the owner will accept [recommendations] or not." Other workers felt that because their role is to work and then "pack up and go home," workers can't demand anything. Another worker echoed that their knowledge was limited on what kind of changes to make, because they are workers and they do what owners tell them, so they don't know how to fix the nail industry. Lastly, a few workers were pessimistic that owners would listen. In these instances, workers focused on the owner's responsibility as much as the owner's dismissiveness.

A few Boston workers highlighted the owner-led power dynamics in the industry. One said that "we just have to follow the owner's ways. If the owner accepts the way we do things, then that is okay [... Otherwise] owners will fire you if they don't like your ways." Another agreed that owners make rules and workers follow them, but "you can't come and do recommendations for them." Another worker agreed that naming industry needs would be the owner's responsibility.



## V. Comparison of Approaches

In this section, we compare the two approaches: HRTPs and sectoral boards.

### *Administrative and/or Regulatory Framework*

Only California has a H RTP program named as such, where H RTPs are selected and awarded funding through the California Workforce Development Board. For its part, Massachusetts has developed important training programs through labor-community partnerships, but does not have an H RTP program. Currently, California is one of the four states that allows for the creation of a wage board, but Massachusetts is not. Both states, however, could establish a labor standards board to improve conditions in the industry.

### *Resources*

H RTPs in California have strong institutional support, with dedicated funding to grow new partnerships throughout the state. Additionally, California has developed a support ecosystem designed to assist grantees in meeting their goals (involving field specialists, technical support, community building, and education). Wage boards and labor boards do not necessarily have dedicated funding streams in either California or Massachusetts, but once established, as government-based programs, they can request orientation, training, and other forms of support from the state. For example, wage boards and labor standards boards can petition for additional

funds, as was the case in Seattle, where the DWSB requested funding for outreach staff and materials. The DWSB also received orientation and training or technical support on topics including the legal process, how to work with legislators, facilitation, and decision-making. Lastly, the DWSB secured funding to compensate workers.

## Geography

Although established through a statewide initiative, HRTPs can be applied to certain geographic areas, like the Warehouse Worker Resource Center (WWRC) in Southern California. As demonstrated by the case studies, sectoral boards can be implemented at the local and state levels. In New York, the governor may invoke a wage board for any sector that is defined by industry or occupation, has at least 50 employees, and is located in a set geography; worker organizations in California would need to research a minimum for wage boards, and in both California and Massachusetts, for labor standards boards.

## Multiple Stakeholders

HRTPs are usually first convened and facilitated by an intermediary with deep labor involvement. Once the partnership is formed, the industry leaders who make up the HRTP—employers, workers, labor or worker organizations, and the convener—gather regularly to identify emerging industry problems and determine solutions. The partnership can also include training providers and community-based organizations.

Wage and labor standards boards established through sectoral bargaining usually include an equal number of workers and employers (or representatives from worker or hiring organizations), as well as community representatives. Members of wage and labor standards boards can be appointed for a term, allowing for new representatives to participate once the term is up. They can be appointed directly, as in New York, with the governor appointing three members; in Seattle, the mayor and City Council appoint all but one member, and the last member is appointed by the board itself. These are typically unpaid positions, though DWSB sought compensation.

Wage boards and labor standards boards have processes that are open to the community at large, with hearings open to the public and/or meetings open to public comment. Before any policy is recommended, members of the public can also offer feedback to the wage board. In Seattle, community partners were also integral in supporting DWSB members and ensuring they had the information they needed. Without that community support, board members had a harder time navigating the position, often not understanding what was going on. In addition to the meetings, they wanted to ensure they were engaging a broader community. The board created surveys, focus groups, and listening sessions and worked closely with partner organizations throughout the process.

**Table 5: Comparison of Differences and Similarities in HRTPs and Wage and Labor Standards Boards**

	High Road Training Partnership	Sectoral Bargaining Wage/Labor Board	Both
Description	State-funded initiative to establish an approach to workforce development led by partnerships within an industry. The initiative ensures that employers have a skilled workforce and increased market competitiveness and that the workforce has ample opportunities for economic mobility. Grants tend to range from \$500,000 to \$1 million and last from 18 to 36 months	Legislatively creates a board or council of workers, employers, and an external government or public representative to set standards across an industry	<ul style="list-style-type: none"> <li>• Bring workers and employers in the same room to negotiate industry needs</li> <li>• Develop a culture of organizing; requires members to continue dialogue and assess new opportunities for raising standards</li> <li>• Build economic resilience by creating processes that can respond to the changing landscape of work</li> <li>• Build worker power</li> </ul>
Goal	Creates an alternative workforce development structure within an industry designed to reach the most marginalized communities and create high road employers	Assesses and raises wages and/or benefits for workers across the sector	<ul style="list-style-type: none"> <li>• Equitable response to industry needs (aim to uplift the worker experience)</li> <li>• Recognize workers as a whole person and how their health and wellbeing is impacted by things outside of the workplace</li> </ul>
How	Industry-wide workforce development infrastructure	City ordinance or statewide law	
Scale	Regional, industry-wide	City or statewide	

## *Worker Organizing*

HRTPs have been successful in sectors with stronger union presence. Sectoral boards provide a strategy to organize in a single industry that is dominated by small businesses owned by different owners, as well as in industries that have moved to hiring temporary or subcontracted workers and independent contractors. Sectoral bargaining in the form of wage and/or labor standards boards can cover all workers within a specific industry, and promote worker standards.

## *Employer Buy-in*

HRTPs require employer buy-in to be successful. They need to develop trusting relationships. Staff turnover, contract negotiations, partner disengagement, and disagreements can each negatively affect the partnerships. Sectoral bargaining in the form of wage and/or labor standards boards do not require employer buy-in as it is established by law/public policy, but employers or employer representative having shared values can help the process. Stakeholder participation is key, especially as the policy is adopted, but engagement can occur through required hearings or through decision-making options like subcommittees or spaces for public comment. In the case of the DWSB, their success was due in part to strong alignment; in DWSB, the employers came to the issue from a shared interest of dignity and care for everybody.

## *Training and Workforce Development*

Most HRTPs include a training component, and identify training programs and providers. Wage and labor standards boards do not mandate training provisions, but lessons from DWSB show that it is encouraged.

## *Climate Change*

Creating a common understanding of how workforce development and climate resilience goals align is an ongoing process for HRTPs. Climate issues do not naturally come up as a primary industry issue, so HRTPs need to educate all partners about how their industry contributes to climate change. Wage board processes have not mandated provisions for addressing climate change at the sectoral level, but labor standards boards could incorporate this as a needed industry innovation.

## *Low Wages*

HRTPs address the issue of low wages by establishing career ladders and workforce development opportunities to move workers into better paying jobs. But they do not directly raise wages nor establish wage floors by themselves. Wage boards and some labor standards boards, on the other hand, can address low wages directly by establishing minimum wage rates for every worker in the industry.



## Duration

Funding for HRTPs in California typically lasts for three years. Depending on the commitment of the stakeholders, HRTPs can apply to other grants or sources of funding to extend the time the HRTPs are in place. For example, Building Skills Partnership (BSP) has successfully secured additional funds to continue its training programs. Labor standards boards or wage boards can be made permanent or temporary, depending on the mandate that established them. In New York, for example, the wage board lasted about a year, and disbanded after the recommendations were issued. In Seattle, the standards board does not have a minimum or maximum duration.



## VII. Recommendations

As reviewed in this report, both HRTPs and sectoral boards create equitable responses to industry needs and offer opportunities for meaningful worker and employer engagement to raise standards. Both approaches build worker power, integrating workers in decision-making processes that directly impact their nail salons and contribute to a culture of organizing. Yet given that the nail salon sector is unique in industry formation and regulation, and that there are different statewide resources, the application of each model would mean addressing some industry-wide concerns over others. From the case studies, focus groups, and expert interviews, we outlined best practices for each approach and offered suggestions on how to adapt each of these strategies to the nail salon industry.

We now offer additional considerations about the potential to scale either approach, or both, to nail salons in California and Massachusetts. In both regions, the main demand from workers is to increase pay. One main question to consider is: how to increase workers' wages when owners are struggling financially as well? The nail salon industry is highly competitive, with salons outpricing each other in order to attract customers. In many cases, the price of manicures and pedicures is so low that workers are bound to earn low wages.

Overall, both models would require more engagement with community-based organizations and with policymakers, and broader collaborations with nail salons and worker organizations committed to improving conditions in the industry.



## California

A combination of both approaches could benefit the nail salon industry in California. There, HRTPs have strong funding and infrastructure to support building out a partnership that develops high road employers and supports workers. However, in pursuing an H RTP, workers' wages would still remain the same if aspects of the industry such as pricing, wages, and/or wage theft enforcement do not change.

Additionally, a wage and/or labor standards board could legislatively impact pricing in a way that offers consistency for wages and/or offers opportunities to raise the wage. However, this model lacks significant resources to support worker (and owner) board members, training, and language justice efforts that would make long-term participation more equitable and consistent.



## Massachusetts

Given the lack of a statewide H RTP program like California's initiative, Massachusetts could consider sectoral boards as an approach to make needed changes in the industry. With a labor standards board, nail salons in Massachusetts could work together to regulate prices and address other workplace issues like benefits, training, and paid leave. Again, this model would potentially lack resources to pay for members' participation and/or any training or outreach efforts.

### *Recommendations to support nail salon owners and develop high road businesses:*

- Create training and resources for salon owners to develop high road infrastructure (e.g. how to address good pay, scheduling, and benefits for workers).
- Create programs for salon owners on how to run sustainable, healthy, and just businesses.
- Create industry-specific recovery programs and grants for the nail salon sector, including recovery planning programs for owners.
- Mandate safety, health, and workers' rights training for employers at salon openings, and enforce a schedule that repeats regularly.
- Educate nail salon consumers on why it is important to pay a fair price for nail services.

### *Recommendations to support workers and workforce development:*

- Safeguard worker wages and benefits, such as minimum wage, overtime pay, paid sick leave,

and meal breaks, through enforcement of labor laws.

- Address issues of misclassification where employees are incorrectly categorized as independent contractors.
- Create continuing education programs and pathways for workers to increase their skill sets and provide opportunities for wage increases, as well as opportunities for developing other life skills.
- Support workers' access to healthcare.

### ***Recommendations to develop an H RTP:***

- Research H RTP models for a worker organization that is not a union and does not have union-based partnerships but already has strong enough employer and worker relationships in order to bring employers and workers to the table.
- Research H RTP models for an industry that is largely many small businesses as opposed to a few large companies or chains.
- Assess whether setting up a regional H RTP is better in scale, given that nail salon advocacy organizations may be able to best support regional efforts at first.
- Assess the relationship between the existing Healthy Nail Salon Recognition programs in certain cities and counties in California and Massachusetts, and determine how they would overlap with or get expanded under an H RTP.

### ***Recommendations to adopt sectoral bargaining's board models:***

- Research how the new fast food wage councils will work in California and how the Nail Salon Minimum Standards Council will work in New York.
- Research whether wage councils can have local councils and/or statewide councils and which would best benefit the nail salon industry.
- Resources are needed to build support infrastructure. Such resources could pay workers for their participation, to onboard all members, and to create training and curriculum for board processes.
- Language justice in terms of translation of all materials and interpretation at all meetings would be required.
- Focus on raising prices for services across the state so that individual salons are not singled out.

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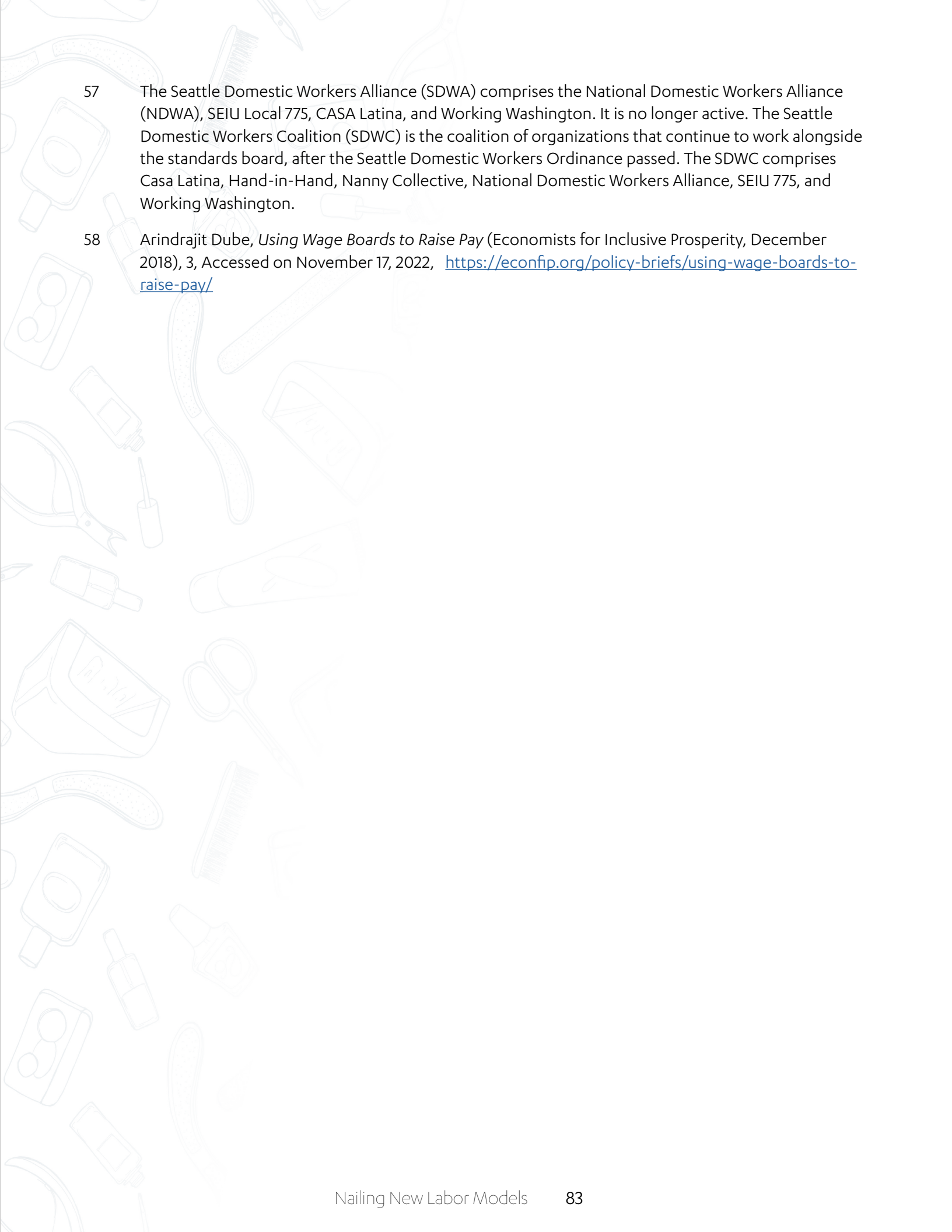
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