

## UPDATING EMPLOYMENT POLICIES TO PROMOTE FLEXIBILITY AND OPPORTUNITY

### THE ISSUE

Building a typical single-family home requires the skills and commitment of 11 to 30 independent specialty trade contractors firms. Subcontracting out large portions of work has consistently proven to keep housing production costs low and provide opportunities for small businesses.

But a builder's ability to compete efficiently and optimally price a home depends on the degree to which overall costs are certain and predictable.

The current patchwork approach for determining worker status (i.e., employee or independent contractor), calculating overtime pay and prevailing wages, and documenting employment status not only creates additional and unforeseen burdens, but also disincentivizes housing production.

### THE SOLUTION

Ensuring a consistent, reliable influx of new workers and creating an environment that encourages workers to stay in residential construction are important in an industry that is continuing to grow.

NAHB believes all employers and employees have the right to lawfully set working conditions and wages using clear, easily repeatable procedures that benefit workers and the businesses for which they work.

Employment policies and requirements must both recognize the common practices among regulated industries, and be simple and economical enough for all-sized businesses to comply.