



John Stossel

A Ban on Freelance Work

The Labor Department just imposed 300 pages of new regulations to reclassify many individual contractors as payroll employees.

CNBC claims this could help freelancers “recover lost wages.”

That’s just nonsense.

The new rules will make it *harder* for some freelancers to support a family. My new video shows how it will also make it harder for them to do what they want to do.

I know this because I saw what happened in California.

Four years ago, unions got Assemblywoman Lorena Gonzalez to push through a new law that reclassified gig workers.

They were told they’d get higher wages, overtime and other benefits.

Clueless media liked that.

Vox called the law “a big win for workers everywhere.”

Ha! A few months later, Vox media laid off hundreds of freelancers.

“They expected that all these companies were going to reclassify independent contractors as employees,” freelance musician Ari Herstand told me. “In reality, they’re just letting them go!”

Herstand was dismayed to learn that when he wants other musicians to join him, he could no longer just write

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them a check.

"I have to put that drummer on payroll, W2 him, get workers' comp insurance, unemployment insurance, payroll taxes!" he complains. "I have to hire a payroll company."

California's anti-freelance law was supposed to protect "abused" Uber and Lyft drivers.

But many *like* the flexibility of being independent. "I don't want a boss to tell me when or where to drive!" one told us.

But union-funded politicians insist they know better.

Gonzalez said, "When you have to take a side job or a third or fourth gig, that's not flexibility; that's feudalism!"

What followed was what usually happens when politicians pass bad laws. Politically connected people pay lawyers and lobbyists to exempt them. Truck drivers got an exemption from California's new law. So did writers, photojournalists, graphic designers, illustrators, musicians (like Herstand) and more than a hundred other professions.

Uber and Lyft got exemptions, too.

"Why is that good law?" I ask. "Exemption for whoever's clever enough to get to the politicians."

"It's definitely not the solution," Herstand admits. "That doesn't seem like that's a way to legislate."

No. But that's how it's done.

When a reporter asked Gonzalez, "What do you have to say to those freelance journalists, those independent contractors, who have now lost their jobs because of your bill?"

The lawmaker sneered, "These aren't jobs. These are freelance positions that may be three hours a month."

The arrogance!

People *chose* these jobs. Most had other choices. Unemployment is low.

Freelancers like the flexibility that freelance work provides.

How dare politicians declare, for everyone, that those jobs aren't good enough?

"They're embarrassed that they made this huge mistake." Says Herstand.

"They aren't taking it back," I point out.

"No politician ever wants to admit that they did something wrong," he replies.

The results of California's mistakes are now in.

Even with all the exemptions for the politically connected, freelancers still lost jobs.

A Mercatus Center study found that employment fell by as much as 28% in professions where self-employment was common.

And that's not because most freelancers got staff jobs with benefits. Labor force participation fell, too.

Yet now the U.S. Department of Labor is forcing the rest of America to restrict freelance work, too? Insane! It's a reason we have 50 states.

Not all of us want to be more like California!

Even worse, President Joe Biden wants to go further by getting Congress to pass a union backed bill called the PRO Act. It would reclassify workers the same way California did, but *without* any exemptions!

Don't politicians ever learn?

No.

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Biden says he is eager to be “the most pro-union president in American history.”

Every Tuesday at [JohnStossel.com](#), Stossel posts a new video about the battle between government and freedom. He is the author of Give Me a Break: How I Exposed Hucksters, Cheats, and Scam Artists and Became the Scourge of the Liberal Media.

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