



*Bridging Bright
Futures for Families*

**ERICSA
2024**

Grand Rapids

**ERICSA 61ST ANNUAL
TRAINING CONFERENCE & EXPOSITION
APRIL 7-11, 2024**

Hands on Economy – Different Perspectives, Different Lessons for Working In and With the Cash Economy

Hon. Nancy Thane, Tuscola County Michigan

Shon Hart, Involved Dads

Jason Walker, Supervisor, Muskegon County Friend of the Court



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Come join in a panel discussion with lessons from different perspectives related to parents and employers who work in the cash economy. Michigan, like many other states, has hands-on experience with the cash economy with the expansion of independent contracting, legalization of cannabis, and other small businesses. Come join in learning from the panelists and each other as we discuss lessons learned and considerations related to setting support, collections, enforcement, and most importantly engagement.

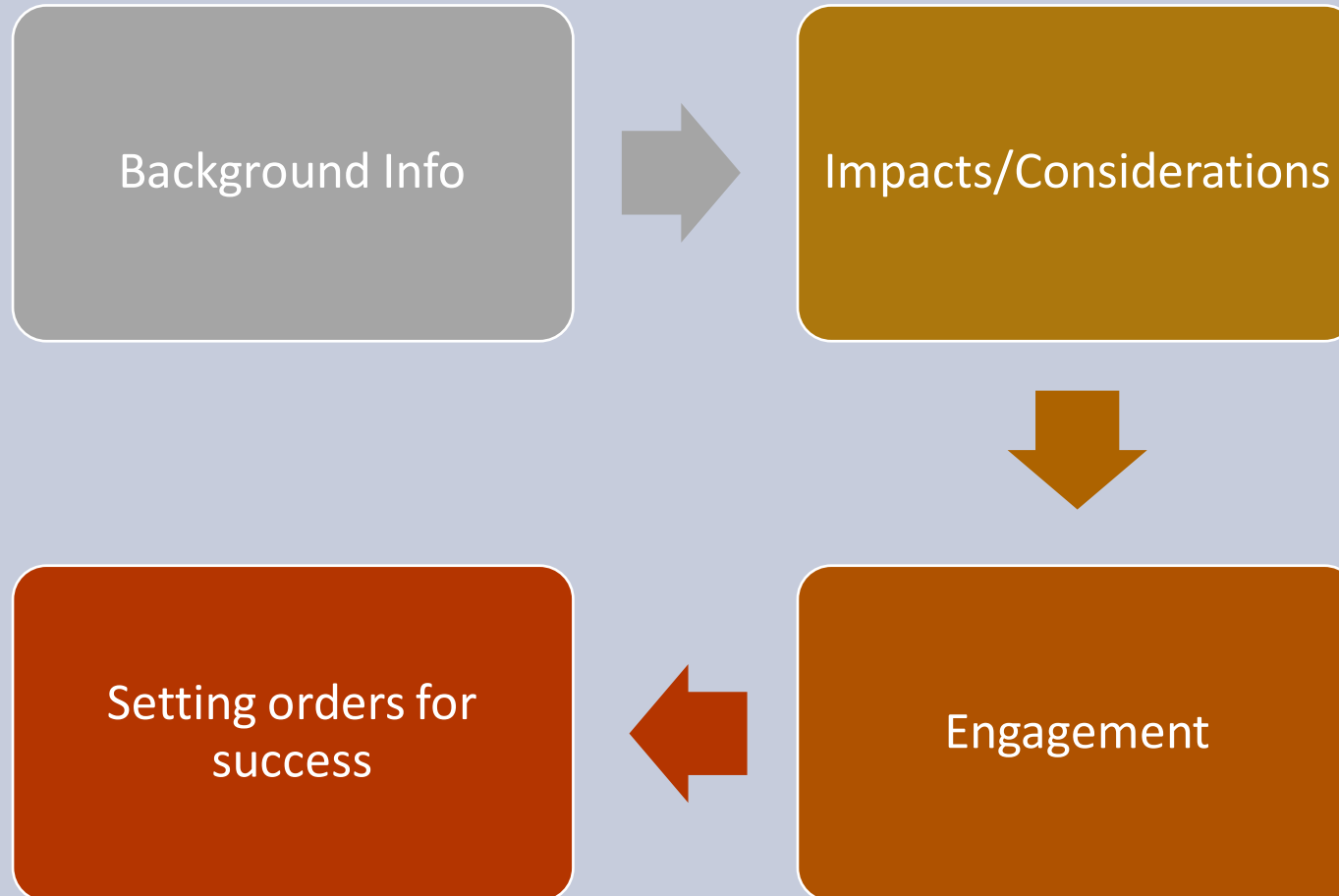


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Roadmap



Independent Contractors

Known As:

- Freelancer
- Gig worker
- 1099's
- IC

What makes them stand out:

- Hired for specific job
- Project based
- Paid in installments or when work performed
- May be self-employed

Independent Contractor or Employee?



Background

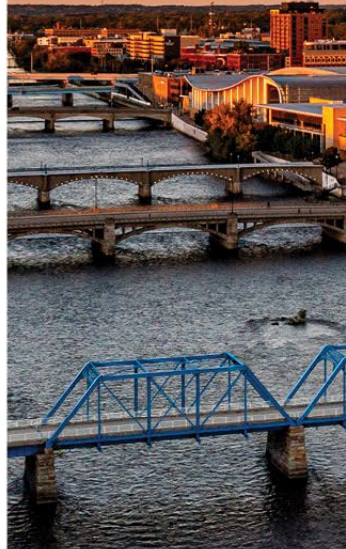
The Economy

- December 2023 survey by Upwork: 40% of US workers (over 64M people) did some freelance work in the past 12 months
- [Pew Research: State of Gig Work 2021](#)
- **16% of Americans have ever earned money via online gig platform** - #s higher for under 30, Hispanic adults, and those with lower incomes

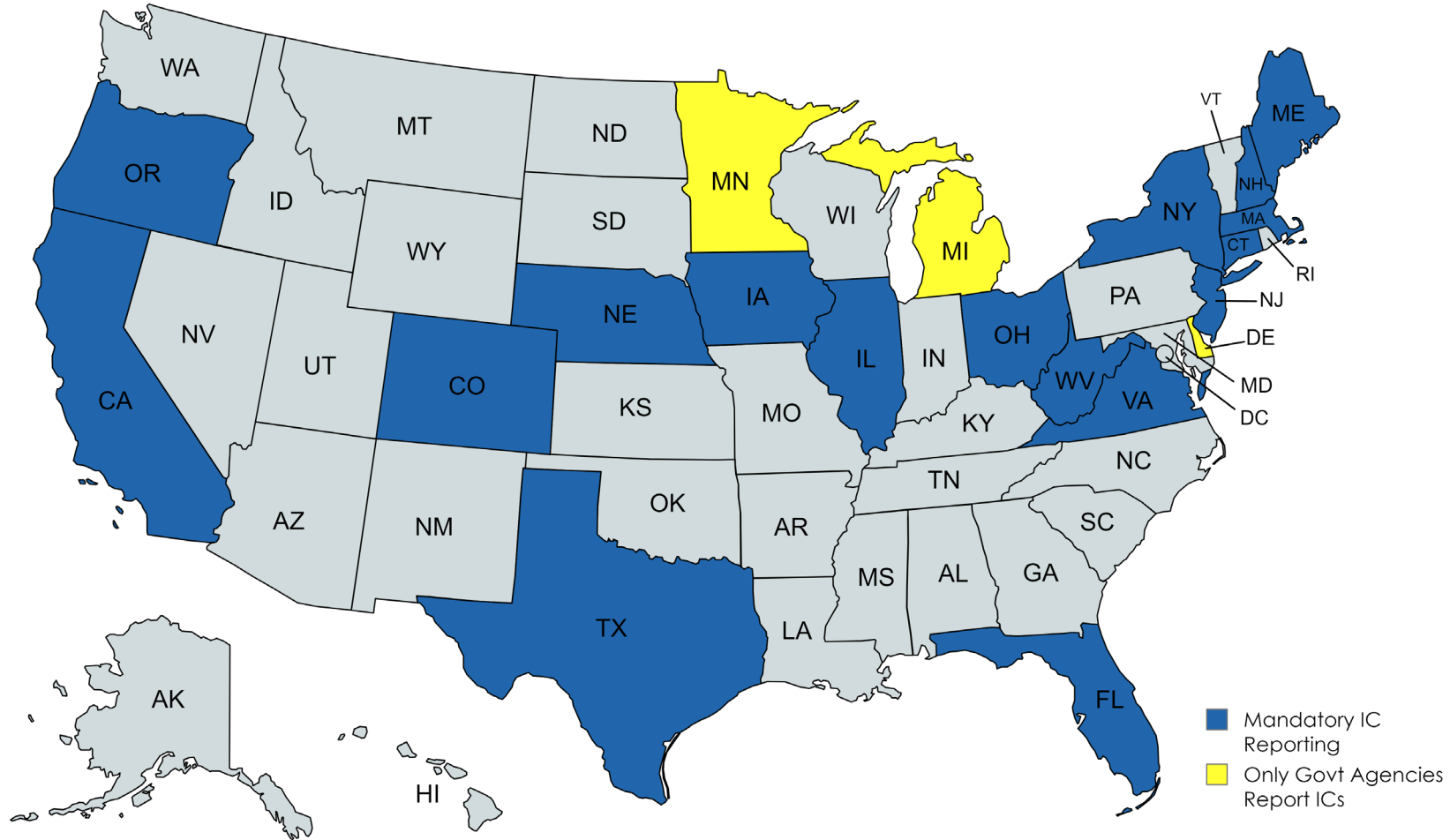
Child Support Caseload

- [Independent Contractors and Nontraditional Workers: Implications for the Child Support Program, by Asaph Glosser and Justin Germain, March 2019](#)
- [Noncustodial Parents and the Gig Economy, Elaine Sorenson, May 2022](#)

Reporting of independent contracting and other cash economy jobs



States with IC Reporting



<https://www.ncsea.org/wp-content/uploads/2024/01/Final-State-NCCSD-IC-New-Hire-Reporting-January-2024.pdf>



Recent Changes



Federal Regulation changes

- Back and forth
 - Case law tests
 - Prior Administration proposed regulation
 - seemed to land on more IC classification
 - Current Administration - [Final Rule: Employee or Independent Contractor Classification Under the Fair Labor Standards Act, RIN 1235-AA43 | U.S. Department of Labor \(dol.gov\)](#)
 - seems to land more on employee classification
 - [Biden administration to unveil contractor rule that could upend gig economy | Reuters](#)
- Focus on “Economically dependent”
- Significant impact expected on app-based industries

California and other local rules

- California ABC test – ALL of the following
 - A) Worker is free from control and direction of hiring entity with the performance of the work, but under the contract and in fact
 - B) worker performs work outside the usual course of the hiring business
 - C) worker is usually engaged in independent trade, occupation, or business of the same nature as the work performed
- Local ordinances like New York, Seattle, and Minneapolis
 - Ordinances to protect gig/delivery workers and bring wages closer to minimum wage
 - 3rd party delivery apps responding with “regulatory response charges” for increased operating costs
 - Having a drastic negative impact on sales
 - Uber and Lyft are leaving Minneapolis based on similar ordinances

Federal Test

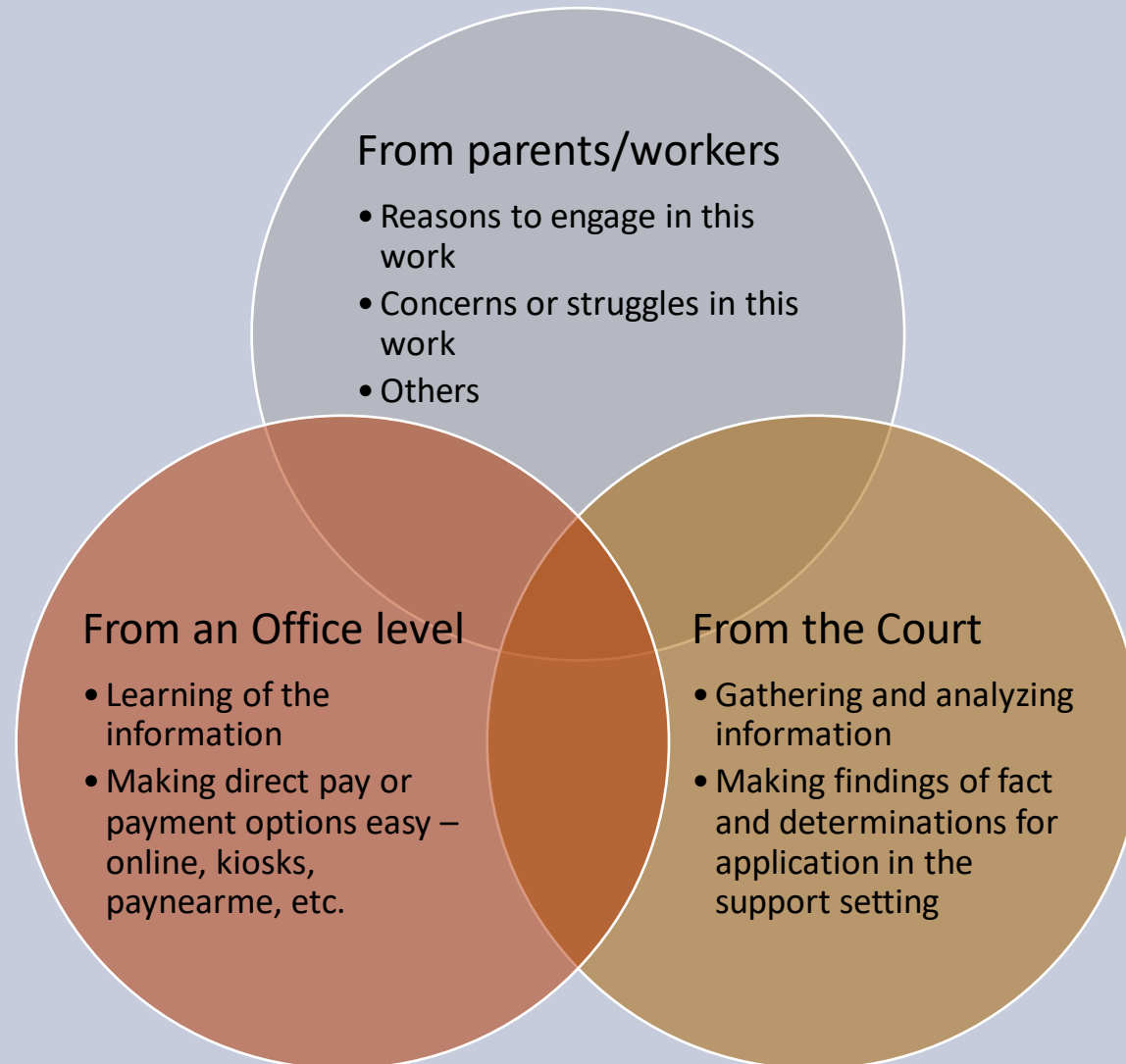
The ultimate inquiry is whether, as a matter of economic reality, the worker is economically dependent on the employer for work (and is thus an employee) or is in business for themselves (and is thus an independent contractor).

- a totality-of-the-circumstances analysis

Factors generally include:

- the opportunity for profit or loss,
- investment,
- permanency,
- control,
- whether the work is an integral part of the employer's business, and
- skill and initiative

Considerations / Experiences



Engagement Considerations

From Parent/Worker

From Court

- How we engage – typically enforcement or setting support. Maybe custody/Parenting time

From Office

- Engaging with the Source of Income
- Engaging with the parent

Motivational Interviewing

- Engaging and communicating with parents from a strength-based perspective, focused on the parent's own goals and needs

Setting Orders for Success

Setting Expectations

- Collecting information
- Balancing needs of the family

Case management

- Build in flexibility

Income and Support Orders

- Fluctuating income
- Evidence-based amounts

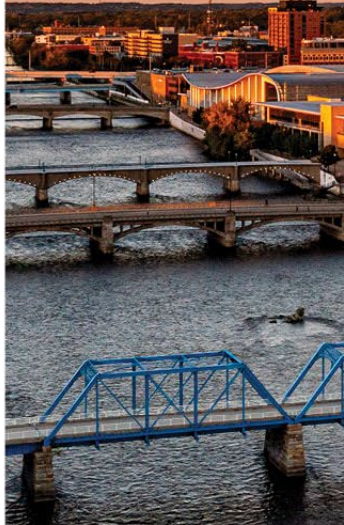
Enforcement

Making payment easy

- Locations
- Type of payment
- Reminders
- Timing

Connections to opportunities

- Not always providing the service
- But being able to know what is available



Panelist Recap and Questions

