



May 11, 2020

The Honorable Brad Lander
New York City Council
250 Broadway, Suite 1751
New York, NY 10007

RE: COVID-19 Relief Package - Earned Safe and Sick Time Act

Dear Councilmember Lander:

On behalf of the American Society of Travel Advisors (ASTA) and our 355 member companies in New York City, we write to urge you to preserve the current definition of “employee” as it applies to coverage of workers under the Earned Safe and Sick Time Act.

Like many other industries, travel agencies rely heavily on the services of independent contractors, a business practice that provides substantial benefits for both workers and agencies in situations where a traditional employment relationship is impractical. The use of independent advisors in our industry is prevalent and growing – in our latest Labor and Compensation member survey, 75 percent of ASTA member agencies reported engaging at least one IC, and of those who do, the average agency engaged 12 ICs. Compare this to 2006, when the average agency engaged only 4 ICs. All told, an estimated 40,000 ICs work in our industry – equivalent to 40 percent of the total industry workforce.

Unlike the many large corporate entities in the so-called “gig economy,” upon whom most attention is focused in worker classification debates, the relationship between independent travel advisors and the “host agencies” with whom they work is both mutually beneficial and healthy. According to our research, more than 85 percent of independent advisors report being “very satisfied” with their current status and make a decent living, with three out of eight earning more than \$50,000 annually.

Moreover, independent travel advisors – who are primarily women and are all small business owners – are an integral part of the travel agency industry. They are true entrepreneurs – they have the freedom to set their own hours and schedules, set their own rates, select the customers with whom they will work and market their own brands.

The profit margins of New York City travel agencies are razor-thin, and with the tremendously negative effects of the current COVID-19 pandemic on the travel industry, expanding eligibility for paid time off tax to independent contractors would

675 N Washington St, Ste 490
Alexandria, VA 22314

ASTA.org TravelSense.org



American Society of
Travel Advisors

be a further blow to the small businesses engaging them. Nearly 40 percent of travel agencies expect to see a loss of at least 50 percent of their revenues this year, and with only 51 percent of members reporting that they have the cash reserves to withstand this downturn for more than six months, we have seen layoffs and even shuttering of some of the smallest businesses, a trend we expect to continue over the months to come. Preserving the current definition of "employee" as it applies to the Earned Safe and Sick Time Act will allow New York City's small businesses a better chance of surviving this crisis and weathering the storm to remain the vital part of the city's economy they are today.

Thank you for considering our views on this critical issue. As you consider the various legislative proposals before the Council, we would welcome the opportunity to work you with and your staff on ways preserve the independent contractor model that has existed in our industry for decades and provides opportunities for thousands of small business owners.

If you have any questions on this or any issue related to the travel industry, please don't hesitate to contact me at (703) 739-6842 or epeck@asta.org.

Yours Sincerely,

Eben Peck
Executive Vice President, Advocacy
American Society of Travel Advisors