

FACT SHEET: Fashion Workers Act

The fashion industry is a [\\$2.5 trillion global industry](#), and New York is its center in the U.S. Boasting world-class creative talent and best-in-class production companies and fashion and design schools, New York's fashion industry employs 180,000 people, [accounting for 6 percent of the city's workforce and generating \\$10.9 billion in total wages](#). New York Fashion Week – a semiannual event – draws more than 230,000 visitors to the city and has long been a major economic driver, [generating close to \\$600 million in income each year](#). That is more than the economic impact of Milan, Paris and London's fashion weeks combined, and [it's almost double the revenue generated by the 2014 Super Bowl at the MetLife Stadium](#).

And yet, fashion workers – in particular, the models who are literally the faces of the industry – are not afforded basic labor protections in New York. This discrepancy is due to the multi-level structure of hiring of these workers as independent contractors through management companies. Unlike talent agencies, modeling and creative agencies are considered to be management companies under New York State General Business Law §171(8), known as the “incidental booking exception,” allowing them to escape licensing and regulation. In almost every case, agencies are granted blanket “power of attorney” as part of their agreement to represent talent, [giving agencies power to accept payments on behalf of the model, deposit checks and deduct expenses, as well as book jobs, negotiate the model's rate of pay, and give third parties permission to use the model's image](#), while having no obligation to act in their talents' best interests.

This leaves models unprotected outside the terms of their individual contracts – which tend to be exploitative and one-sided in favor of the management company – and creates a lack of transparency and accountability when it comes to basic issues like health and safety and having insight into one's own finances. For example, models often don't know whether and how much they'll be paid for jobs booked through management companies, which deduct various unexplained fees from their earnings, in addition to a 20 percent commission both on the model's fee and the client's payment. Model management companies crowd young models in model apartments, where they warehouse anywhere from six to 10 young women in one apartment and charge them each upwards of \$2,000 a month for an apartment worth far less. Models are held to multi-year, auto-renewing contracts without any guarantee of actually being booked paid work, which ensnares them in cycles of debt and makes models highly vulnerable to other forms of abuse, including human trafficking. When models experience abuse, they do not have a safe channel to file work-related grievances without a risk of retaliation.



The Fashion Workers Act would address these issues by closing the legal loophole by which management companies escape accountability and create basic protections for the models and content creators who are the faces of New York’s fashion industry.

The Fashion Workers Act would require management agencies to:

- Establish a fiduciary duty to act in the best interests of their talent
- Provide models with copies of contracts and agreements
- Notify formerly represented models if they collect royalties on their behalf
- Register and deposit a surety bond of \$50,000 with the NYS Department of State
- Protect the health and safety of models, including by establishing a zero-tolerance policy for abuse

And discontinue bad practices such as:

- Presenting power of attorney as a necessary condition for entering into a contract with the management company
- Collecting signing fees or deposits from models
- Charging models interest on payment of their earnings
- Charging more than the daily fair market rate for accommodation
- Deducting any other fee or expense than the agreed upon commission
- Renewing the contract without the model's affirmative consent
- Imposing a commission fee greater than twenty percent of the model's compensation
- Taking retaliatory action against a model for filing a complaint
- Engaging in discrimination or harassment of any kind against a model on the basis of race, ethnicity, and other legally permissible categories under Section 296(a) of the Executive Law.