

Easy Read

Employment Outcomes and Views of Former Subminimum Wage Workers

April 2025 | GAO-25-107998



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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Introduction



This is an **Easy Read** version of a report we wrote. **Easy Read** is a way that some groups have made their written information easier to understand. This can include shorter sentences or simpler language.

In this document, certain words and phrases are in **bold**. These words are important to the content of this report. We explain what these words and phrases mean in more detail when they are used.



Some words are [blue and underlined](#).

These are links that will go to GAO reports and other helpful information.

Why is GAO creating this document?



We created this Easy Read version to make our work more accessible to everyone, including certain people with intellectual or developmental disabilities. This document is one way we are working for full inclusion of people with disabilities.

You can see the **full report** on our website (<https://www.gao.gov/products/gao-25-106471>)

GAO and Congress



What is GAO?

The **Government Accountability Office**, or **GAO**, is part of the Legislative Branch of the United States government. We are an independent agency that works for Congress. We help keep Congress informed about how agencies are working.

What did Congress ask GAO to do?

Congress asked us to look at the effects of ending subminimum wage jobs.

Subminimum Wage and Other Programs



What are subminimum wage jobs?

Section 14(c) of the Fair Labor Standards Act of 1938 allows certain employers to pay wages below the federal minimum to people with disabilities. These jobs are called **subminimum wage jobs**. Almost 40,000 people with disabilities were employed in subminimum wage jobs as of 2024.



What types of employers provide subminimum wage jobs?

Subminimum wage employers can be private businesses but are often nonprofit agencies or organizations that help people with disabilities through jobs and skills training. These types of jobs are often in sheltered workshop settings, where many or all of the employees have disabilities. Employers may also run day programs or provide other services to people with disabilities.

What kind of disabilities do people in subminimum wage jobs have?



Most people who work in subminimum wage jobs have intellectual or developmental disabilities. People with these types of disabilities may require lifelong care and support. These disabilities can include Down syndrome and autism spectrum disorder and may result in difficulties with learning, problem solving, and everyday life skills.

What is community employment?



Community employment, or competitive integrated employment, is a job in the community that pays the federal minimum wage or more. In these jobs, people work with other people with and without disabilities and have promotion opportunities. Recently, the federal government and states have been encouraging this type of employment.

Federal and State Programs that Support People with Disabilities



What federal agency is responsible for policies that protect workers with disabilities?

The **Department of Labor** is a federal agency that enforces labor laws and works to protect workers' rights. The Department of Labor approves employers' applications to pay subminimum wages.



What is Medicaid?

Medicaid is a joint federal and state program that helps pay for medical services for low-income people and people with disabilities. These services can include health care, personal care, and other support services. Medicaid may also help with or pay for day services and assistance finding and keeping jobs.



What is Vocational Rehabilitation?

Vocational Rehabilitation is a federal program run by states that helps people with disabilities find and keep jobs. It provides services like counseling and job skills training.



What is Supplemental Security Income?

Supplemental Security Income is a federal benefit program that provides monthly payments to people with disabilities and older adults who have little or no income and resources.

What is in This Report

This report looks at four things:



1. Which states have passed laws to end subminimum wage jobs and what data have those states collected about people who stopped working in subminimum wage jobs?

2. What did people in two states do after they stopped working in subminimum wage jobs?



3. What did people and their caregivers in two states say about working in subminimum wage jobs, leaving subminimum wage jobs, and working in community employment?

4. What did people who moved into community employment and their caregivers say about how their employment might affect their federal benefits?

How did we prepare this report?

To prepare the full report, we collected information several ways. We:

- Looked at data from two states that ended subminimum wage jobs
- Talked to people who used to work in subminimum wage jobs and their caregivers in the same two states
- Talked to **agency** officials and experts.



Agencies are government offices.

For more information on our approach, see the [full report](#).

States that Ended Subminimum Wage Jobs



In this section, we answer the question:

Which states have passed laws to end subminimum wage jobs and what data have those states collected about people who stopped working in subminimum wage jobs?




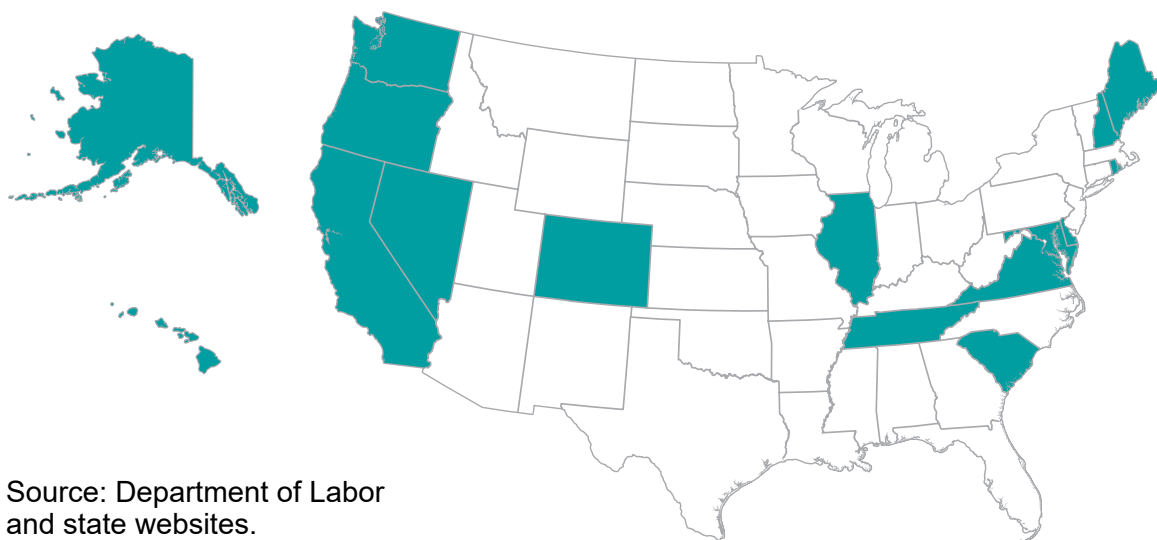
Sixteen states have passed laws to end subminimum wage jobs. People in these states who worked in subminimum wage jobs may work in community or other employment, or they may no longer work. Eleven of those states have collected data about what people did after leaving their subminimum wage job.

How did GAO learn about states that ended subminimum wage jobs and what data those states collected?

We talked to **Department of Labor** officials and experts. We also reviewed information from state data, organizations involved in subminimum wage jobs or with people with disabilities, and publicly available sources such as state websites.

Which states have passed laws to end subminimum wage jobs?

 Sixteen states have passed laws to end subminimum wage jobs (highlighted below).



Source: Department of Labor and state websites.

What type of data did states collect about people who used to work in subminimum wage jobs?



Eleven states told us they collected data on people who used to work in subminimum wage jobs. These data may have included whether people moved to other employment or programs, the number of hours they worked, and how much they were paid.

Outcomes for People Who Used to Work in Subminimum Wage Jobs

In this section, we answer the question:

What did people in two states do after they stopped working in subminimum wage jobs?



In states that have ended subminimum wage jobs, people who worked in these jobs may have needed to find new employment or programs to participate in. We looked at two states that collected data about what people did after they left subminimum wage jobs.

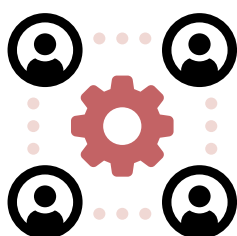
How did we select the states that we looked at?

We looked at Colorado and Oregon because they passed laws to end subminimum wages and agreed to share the information they collected about what happened to people after subminimum wage jobs ended.

Were these states able to track what happened to people after they left subminimum wage jobs?

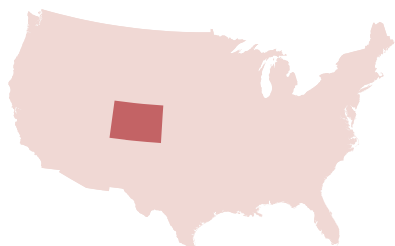
Colorado and Oregon were able to find out what happened to some, but not all, of the people who left subminimum wage jobs. State officials said they used state Medicaid data to track people who were working or receiving other services.

They were not able to track people if they did not participate in Medicaid-related programs. For example, some people may have:



- passed away or moved out of the state,
- retired or chosen not to participate in Medicaid day or community services, or
- moved to community or traditional jobs without the help of Medicaid support like job coaching.

Colorado



When did Colorado end subminimum wage jobs?

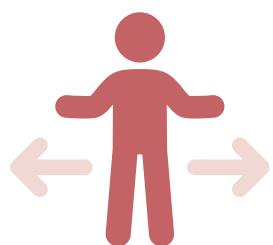
Colorado passed a law to end subminimum wage jobs in 2021. This law said that people could not be paid less than the state minimum wage starting in July 2025. By July 2023, Colorado had no subminimum wage jobs.

How many people worked in subminimum wage jobs in Colorado before the law was passed?

State officials said 195 people worked in subminimum wage jobs when the law was passed.

For more details on job outcomes in Colorado, see the [full report](#)

What happened to the people who worked in subminimum wage jobs in Colorado?



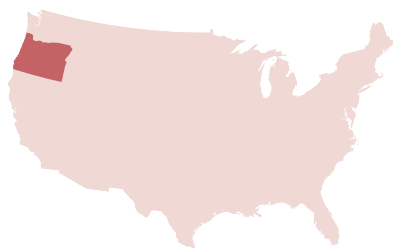
Colorado could not find out what happened to all people who used to work in subminimum wage jobs. However, of the people Colorado could track, around one half of the people went to community or other employment. Other people went to unpaid programs like day services or programs that offer job skills training.

What were peoples' wages and hours after leaving subminimum wage jobs in Colorado?



People who left subminimum wage jobs for another type of work, like community employment, earned more money per hour (an average of over \$12 an hour, compared to an average of about \$4 an hour in their subminimum wage job). Overall, they worked slightly less (an average of 12.5 hours per week, compared to 13 hours in their subminimum wage job).

Oregon



When did Oregon end subminimum wage jobs?

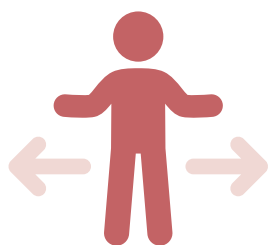
Oregon passed a law to end subminimum wage jobs in 2019. This law said that people could not be paid less than the state minimum wage after June 2023.

How many people worked in subminimum wage jobs in Oregon before the law was passed?

State officials said 1,875 people worked in subminimum wage jobs in 2015, when the state began tracking.

For more details on job outcomes in Oregon, see the [full report](#).

What happened to the people who worked in subminimum wage jobs in Oregon?



Oregon could not find out what happened to all people who used to work in subminimum wage jobs. However, of the people Oregon could track, around 40 percent of people went to community or other employment. Other people went to unpaid programs like day services or programs that offer job skills training.

What were peoples' wages and hours after leaving subminimum wage jobs in Oregon?



People who left subminimum wage jobs for community or other types of employment earned more money per hour (an average of nearly \$14 an hour, compared to about \$4 an hour in their subminimum wage job). They also worked fewer overall hours (an average about 11 hours per week, compared to 16 hours in their subminimum wage job).

Working in Subminimum Wage, Community, and Other Jobs



In this section we answer the question:

What did people and their caregivers in two states say about working in subminimum wage jobs, leaving subminimum wage jobs, and working in community employment?

In states that have ended subminimum wage jobs, people with disabilities have needed to move from subminimum wage jobs to other types of jobs or programs. We asked people and their caregivers in two states about their experiences.

Working in Subminimum Wage Jobs

What did people and their caregivers in two states say about working in subminimum wage jobs?



People who used to work in subminimum wage jobs and their caregivers told us about both positive and challenging experiences they had in their subminimum wage jobs. More people talked about positive experiences than challenges they had.

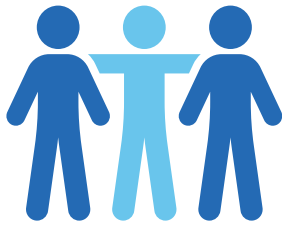
What did people and their caregivers say about their tasks and responsibilities while working at their subminimum wage jobs?



Some people said they liked tasks such as vacuuming or cleaning bathrooms. However, other people said they did not like their work tasks. Some said they had safety concerns, or felt the work was “dirty.” Other caregivers felt tasks did not match people’s skills or interests.

Working in Subminimum Wage Jobs

What did people and their caregivers say about their social connections while working in subminimum wage jobs?



People talked about good social connections they made with coworkers at their subminimum wage jobs. One caregiver said her son “made lifelong friends” at his job. Other people did not get along with their coworkers and said some coworkers were not nice to them.

What did people and their caregivers say about earning a wage while working subminimum wage jobs?



People said they liked earning their own money and liked that they could save for things they wanted to buy. For example, one person talked about buying himself new shoes.

Working in Subminimum Wage Jobs



What did people and their caregivers say about the help they received working in subminimum wage jobs?

People wanted better job coaching and training at their subminimum wage jobs. One person said job coaches would make promises but did not keep track of them or follow up with help.



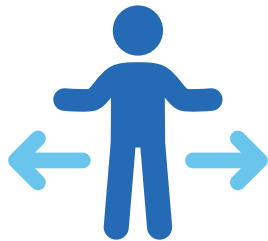
In Their Own Words: *Former Subminimum Wage Workers*

“I liked working with my hands in woodwork.”

“That type of sheltered workplace... I don’t think it was really the right fit for me overall, just because of my aptitudes of getting higher up...also, having to travel back and forth and then getting paid less than minimum wage wasn’t really worth my time.”

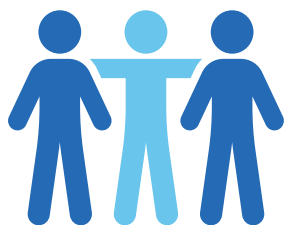
Leaving Subminimum Wage Jobs

What did people and their caregivers say about leaving subminimum wage jobs?



People who used to work in subminimum wage jobs and their caregivers told us about both opportunities and challenges they had after they stopped working at their subminimum wage jobs. Most people who were working in the community liked their new jobs. People also talked about how their relationships with coworkers changed and difficulties finding new jobs or day services in their community.

Leaving Subminimum Wage Jobs



What did people and their caregivers say about their social connections after leaving their subminimum wage jobs?

People who moved to community employment after leaving their subminimum wage jobs said they were able to make new social connections at their new jobs.

Some people who left subminimum wage jobs were able to stay friends with former coworkers because they worked with them in their new jobs, visited them in their free time, or saw them at their day services. Other people found it hard to connect with former coworkers because they were no longer working together.

Leaving Subminimum Wage Jobs

What did people and their caregivers say about day services after leaving their subminimum wage jobs?

People who went to day services talked about things they liked as well as challenges they faced.

People in day services liked



- classes like art and science,
- relationships with friends and staff, and
- outings to museums, movies, and other places.

Some people had a hard time

- getting a spot at day programs because of wait lists.

Leaving Subminimum Wage Jobs

What did people and their caregivers say about finding community employment after leaving subminimum wage jobs?



People found community employment in different ways, including through job coaches and their own research. Other people were able to keep their jobs because their employer changed their subminimum wage job to community employment.

Other people and their caregivers said they found it challenging to find community employment. For example, some people and their caregivers said it was hard to find a job in community employment that matched the person's skills and interests or the caregiver's safety concerns.

Leaving Subminimum Wage Jobs



What did people and their caregivers say about the help they received while leaving subminimum wage jobs?

People had both positive and negative things to say about help from their job coaches and other support services. One person said local job offices moved slowly, which meant they could miss out on jobs.

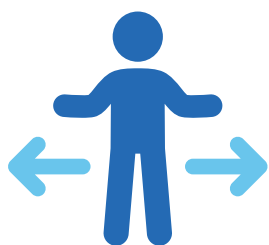


In Their Own Words: *Former Subminimum Wage Worker*

“[When I was in a subminimum wage job, I had co-workers] that were autistic, non-verbal, but they can read, they can write... They could do their job. They just needed a different form of communication. And I feel like those are [some] of the people that kind of got hurt the most by [leaving subminimum wage jobs].”

Working in Community Employment

What did people and their caregivers in two states say about working in community employment?



People who moved to community employment and their caregivers talked about both positive and challenging experiences in their new jobs. More people had positive things to say about their new job than challenging things.

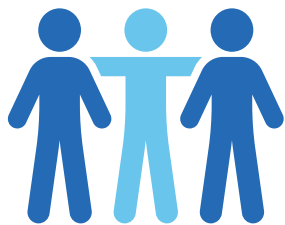
What did people and their caregivers say about their tasks and responsibilities in community employment?



People in community employment said they liked their tasks, which included things like cleaning, packaging goods, or setting tables. Other people said they did not like tasks such as cleaning bathrooms or stocking shelves.

Working in Community Employment

What did people and their caregivers say about social connections while working in community employment?



People said they liked the social connections they made with coworkers and customers. For example, people said they enjoyed going to holiday parties and exchanging gifts with coworkers.

What did people and their caregivers say about skill growth opportunities in community employment?



People liked being able to build their skills in community employment. Some said they liked working on social skills and others liked opportunities to overcome challenges.

Working in Community Employment

What did people and their caregivers say about earning a wage in community employment?



People liked earning more money and were able to gain more financial independence. For example, they talked about buying their own groceries, paying for housing, or helping pay for vacations.

What did people and their caregivers say about the help they received while working in community employment?



People had some challenges with getting help while working in community employment, such as finding a good match with job coaches. For instance, one caregiver said she thought some job coaches didn't provide the right help.

Working in Community Employment



In Their Own
Words: *Former
Subminimum
Wage Workers
in Community
Employment*

“My job is great, [it] makes me feel fantastic.”

“Every once in a while, [someone else’s]
job coach would boss me around.
And no, it’s not how it works.
I just ignore it.”

Accessing Federal Benefits

What did people who moved into community employment and their caregivers say about how their employment might affect their federal benefits?



People and their caregivers told us that they were worried about how earning or saving more money could change their benefits. Supplemental Security Income benefits are calculated each month using a formula based on how much money a person has and earns. For example, one worker and his caregiver were worried that if he worked too many hours, he would receive fewer benefits.

Others worried that saving too much money might reduce their benefits. Some people with disabilities have an **Achieving a Better Life Experience** (ABLE) account. An **ABLE** account is a special savings account that helps people save money and often does not count toward savings limits.

GAO's Commitment to People with Disabilities



In line with GAO's core values, we work for full inclusion of people with disabilities. We show our commitment to the disability community through accessibility efforts for our employees and the public who read our reports.



Additionally, GAO has provided Congress with analysis of accessibility and disability issues in several areas, including veterans with disabilities, health care access, voting, disability benefits, equal employment opportunity, and more.

Appendix

GAO Contact and Staff Acknowledgments



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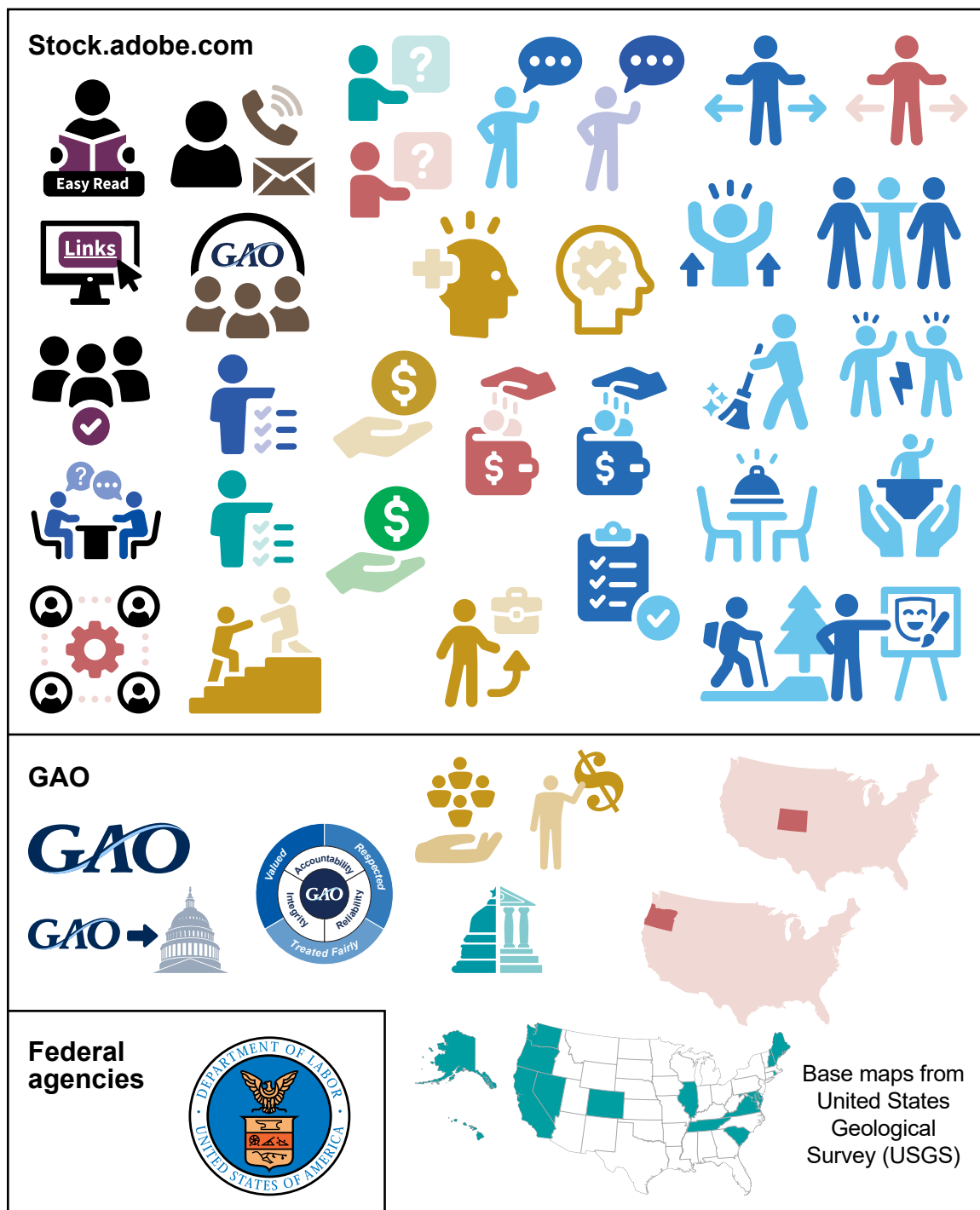


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Sources for Images

This appendix contains source information for images in this product.



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