

# Known Charities Pay Disabled Workers Wages as Low as 22 Cents an Hour — And It's Legal

By [Global Research News](#)

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[Rock Center with Brian Williams](#)

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*One of the nation's best-known charities is paying disabled workers as little as 22 cents an hour, thanks to a 75-year-old legal loophole that critics say needs to be closed. Goodwill Industries, a multibillion-dollar company whose executives make six-figure salaries, is among the nonprofit groups permitted to pay thousands of disabled workers far less than minimum wage because of a federal law known as Section 14 (c). Labor Department records show that some Goodwill workers in Pennsylvania earned wages as low as 22, 38 and 41 cents per hour in 2011.*

"If they really do pay the CEO of Goodwill three-quarters of a million dollars, they certainly can pay me more than they're paying," said Harold Leigland, who is legally blind and hangs clothes at a Goodwill in Great Falls, Montana for less than minimum wage.

"It's a question of civil rights," added his wife, Sheila, blind from birth, who quit her job at the same Goodwill store when her already low wage was cut further. "I feel like a second-class citizen. And I hate it."

Section 14 (c) of the Fair Labor Standards Act, which was passed in 1938, allows employers to obtain special minimum wage certificates from the Department of Labor. The certificates give employers the right to pay disabled workers according to their abilities, with no bottom limit to the wage.

Most, but not all, special wage certificates are held by nonprofit organizations like Goodwill that then set up their own so-called "sheltered workshops" for disabled employees, where employees typically perform manual tasks like hanging clothes.

For more on disabled workers and sub-minimum-wage pay watch 'Rock Center' tonight.

The non-profit certificate holders can also place employees in outside, for-profit workplaces including restaurants, retail stores, hospitals and even Internal Revenue Service centers. Between the sheltered workshops and the outside businesses, more than 216,000 workers are eligible to earn less than minimum wage because of Section 14 (c), though many end up earning the full federal minimum wage of \$7.25. When a non-profit provides Section 14 (c) workers to an outside business, it sets the salary and pays the wages. For example, the Helen Keller National Center, a New York school for the blind and deaf, has a special wage certificate and has placed students in a Westbury, N.Y., Applebee's franchise. The employees' pay ranged from \$3.97 per hour to \$5.96 per hour in 2010. The franchise told NBC News it has also hired workers at minimum wage from Helen Keller. A spokesperson for Applebee's declined to comment on Section 14 (c). Helen Keller also placed several students

at a Barnes & Noble bookstore in Manhasset, N.Y., in 2010, where they earned \$3.80 and \$4.85 an hour. A Barnes & Noble spokeswoman defended the Section 14 (c) program as providing jobs to “people who would otherwise not have [the opportunity to work].”

Most Section 14 (c) workers are employed directly by nonprofits. In 2001, the most recent year for which numbers are available, the GAO estimated that more than 90 percent of Section 14 (c) workers were employed at nonprofit work centers.

Critics of Section 14 (c) have focused much of their ire on the nonprofits, where wages can be just pennies an hour even as some of the groups receive funding from the government. At one workplace in Florida run by a nonprofit, some employees earned one cent per hour in 2011.

“People are profiting from exploiting disabled workers,” said Ari Ne’eman, president of the Autistic Self Advocacy Network. “It is clearly and unquestionably exploitation.”

Defenders of Section 14 (c) say that without it, disabled workers would have few options. A Department of Labor spokesperson said in a statement to NBC News that Section 14 (c) “provides workers with disabilities the opportunity to be given meaningful work and receive an income.”

Terry Farmer, CEO of ACCSES, a trade group that calls itself the “voice of disability service providers,” said scrapping the provision could “force [disabled workers] to stay at home,” enter rehabilitation, “or otherwise engage in unproductive and unsatisfactory activities.”

Harold Leigland, however, said he feels that Goodwill can pay him a low wage because the company knows he has few other places to go. “We are trapped,” he said. “Everybody who works at Goodwill is trapped.”

Leigland, a 66-year-old former massage therapist with a college degree, currently earns \$5.46 per hour in Great Falls.

His wages have risen and fallen based on “time studies,” the method nonprofits use to calculate the salaries of Section 14 (c) workers. Staff members use a stopwatch to determine how long it takes a disabled worker to complete a task. That time is compared with how long it would take a person without a disability to do the same task. The nonprofit then uses a formula to calculate a salary, which may be equal to or less than minimum wage. The tests are repeated every six months.

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