

To: WRC Affiliate Universities and Colleges
From: Scott Nova
Date: September 5, 2024
Re: Case Update: Style Avenue Workers Receive \$1.2 Million, with Remainder to Follow (El Salvador)

As you know, in response to the WRC's investigation at the Style Avenue factory in El Salvador, and after substantial engagement by universities, Outerstuff agreed to pay \$1.8 million to workers to address the nonpayment of legally mandated compensation at the time of the factory's closure. On average, workers were owed the equivalent of nearly two years' wages. Some workers with particularly long tenure were owed the equivalent of three years' wages.

I am pleased to report that, under the WRC's coordination, \$1.2 million has been distributed to workers. The payments were made on August 2, via direct deposit into bank accounts that the WRC's partner organization, ORMUSA, helped workers set up.

Payment had been delayed due to obstacles created by the Salvadoran government and by the country's unusual banking regulations, but the WRC and ORMUSA were able to overcome these obstacles and move the payments forward.

The remaining \$600,000 will be sent by Outerstuff and distributed to workers in January 2025, per the WRC's agreement with Outerstuff.

Former Style Avenue workers reported to the WRC on the significance of receiving this money, which they had earned but never received. Workers reported using this money to pay school fees for their children, to cover long-delayed medical procedures, to avert eviction or foreclosure from their homes, and to start providing better nutrition for their families. Some of the workers said that they will use the money to start a small business. One worker shared, "I take care of my father, who is blind. I have done my best to survive during this time. I give thanks to God; now that we have received the payment of severance, I feel a huge relief. My kids are saying to me 'Mom, you look different.' Now I know I can make my house payments and [pay off] other debts that I have. I feel so happy, truly happy." Another worker told the WRC, "Many of us are single mothers and now we will be able to pay our debts, including money we owe for rent."

Below are several photos of workers, taken in the context of the distribution.

