

Resolution 10

RAISING WAGES IS THE ANSWER

THERE IS SOMETHING FUNDAMENTALLY WRONG with the U.S. economy. More than four years after the end of the Great Recession, economic growth is still weak and unemployment is still higher than its peak in the previous recession. The heart of the problem is the stagnation of wages and the lack of middle-class buying power. The solution is to replace the failed low-wage economic strategy of the past 30 years with a high-wage strategy for shared prosperity.

The low-wage economic strategy of the past 30 years consisted of at least five elements: (1) a sustained war against workers' freedom to bargain collectively; (2) a sustained attack on labor standards and employment protections for all workers; (3) the abandonment of full employment as a central objective of U.S. economic policy and declining investment in infrastructure; (4) the relocation of U.S. manufacturing production to other countries, accompanied by chronic U.S. trade deficits; and (5) Wall Street's takeover of the real economy.

The upshot of this low-wage economic strategy was that wage growth for most workers became delinked from productivity growth in the late 1970s. The real median income of working-age families fell from 2000 to 2007 and has continued falling since the Great Recession. The wage crisis has had an especially harmful impact on people of color and their communities.

The failure of this low-wage strategy was responsible for the weakness of the U.S. economy before the Great Recession, which was temporarily papered over by a bubble in real estate prices. Today the U.S. economy is still struggling to recover from the collapse of the real estate bubble.

The failure of this low-wage strategy shows that we no longer can rely on household borrowing, real estate bubbles, tech bubbles or stock bubbles to fuel economic growth. We must rely instead on higher wages to restore middle-class buying power and create healthy domestic markets for U.S. businesses. Higher wages are not a luxury that can be postponed until the crisis has receded; they are the only way out of the crisis and the basis for sustainable growth.

A high-wage strategy for shared prosperity must include: (1) restoring workers' ability to bargain collectively; (2) strengthening labor standards and employment protections for all workers; (3) making full employment the central objective of U.S. fiscal and monetary policy; (4) forging a new model of engagement with the global economy so that we make things in America again and eliminate the U.S. trade deficit; and (5) shrinking our bloated financial sector and making it serve the real economy.

The AFL-CIO resolves to construct and implement a Raising Wages Campaign, including the following efforts at the federal, state and local levels to raise wages and labor standards for every worker in America and make every job a good job.

FEDERAL LEGISLATION

- **Freedom to Form a Union.** We will support legislation to restore workers' ability to form or join a union (Committee 1).
- **Comprehensive Immigration Reform.** To support labor standards for everyone who works in America, we will support legislation to provide a path to citizenship and meaningful labor protections (Committee 3).

- **Immigrant Workers.** We will work to improve wages and standards in all foreign temporary worker programs, including the H-1B, H-2A and H-2B visa programs.
- **Raise and Index the Minimum Wage.** We support legislation to increase the minimum wage to \$10.10 and to ensure it rises annually, and to increase the minimum wage for tipped workers to 70% of the regular minimum wage.
- **Employee Misclassification.** We will support legislation (“Fair Playing Field Act”) to combat the misclassification of employees as independent contractors, which undermines labor standards.
- **Equal Pay for Equal Work.** We will support legislation (“Paycheck Fairness Act”) to protect workers against gender discrimination.
- **Protect Overtime for Private-Sector Workers.** We will oppose legislation (“Comp Time”) that excuses some employers from the obligation to pay a cash premium for overtime work.
- **Protect Overtime for Computer Professionals.** We will oppose legislation (“Computer Professionals Update Act”) that strips overtime protection from computer programmers, software engineers and other tech employees.
- **Compensation for Federal Employees.** We will oppose pay cuts and benefit cuts for federal employees, which undermine labor standards, and support a living wage for federal employees.
- **Paid Sick Days.** We will support legislation (“Healthy Families Act”) to allow workers to earn up to seven paid sick days per year.
- **Family and Medical Leave.** We will support legislation to apply the Family and Medical Leave Act (FMLA) to smaller businesses and to provide for paid leave through general revenues.
- **Fair Wages for Workers with Disabilities.** We will support legislation (“Fair Wages for Workers with Disabilities Act”) to stop allowing employers to pay disabled workers a sub-minimum wage.

FEDERAL REGULATION AND ENFORCEMENT

- **Minimum Wage and Overtime for Home Care Workers.** We will work for a regulation to clarify that wage and hour protections apply to home care workers.
- **Living Wage for Federal Contract Workers.** We will urge the administration to issue an executive order requiring federal contractors and subcontractors to pay a living wage.
- **Index Overtime Eligibility to Inflation.** We will work for a regulation to update and index the \$455/week salary threshold for overtime exceptions.
- **Prevailing Wage.** To keep the government from undermining labor standards, we will work to improve the process for determining prevailing wages under the Davis-Bacon and Service Contract Acts.
- **Project Labor Agreements.** We will work to promote and consistently apply project labor agreements (PLAs) to support labor standards on publicly funded construction projects.
- **Transit Workers.** We will work to maintain Section 13(c) protections for public transportation workers, which ensure collective bargaining rights and protect wages, pensions and other conditions of employment.
- **Railroad Workers.** We will work to preserve and enforce existing labor protections for freight and passenger railroad workers, which uphold collective bargaining, wages, benefits and other worker rights.
- **Wage Theft.** We will work toward a federal regulation to require employers to provide employees with information about hours worked and wages earned.

STATE AND LOCAL LEGISLATION AND ACTIVITY

- **Non-Pre-emption of Local Labor Standards.** We will oppose state legislation that prevents counties and municipalities from setting labor standards higher than state standards.

- **“Right to Work.”** We will oppose “right to work” legislation, which lowers labor standards for all workers.
- **Minimum Wage.** We will support legislation to increase and index the minimum wage, and increase the minimum for tipped employees.
- **Prevailing Wage.** We will support legislation to keep publicly funded projects from undermining labor standards.
- **Employee Misclassification.** We will support legislation to combat the misclassification of employees as independent contractors.
- **Union Organizing Campaigns.** We will support efforts of workers to bargain collectively.
- **Wage Theft.** We will support legislation and ordinances to keep employers from underpaying or failing to pay their employees.
- **Outsourcing.** We will oppose outsourcing proposals that wrongly put public services in the hands of for-profit companies, weakening accountability and transparency.
- **Compensation for Public Service Employees.** We will oppose pay cuts and benefit cuts for public service employees, which undermine labor standards.
- **Farmworkers.** We will support legislation to guarantee overtime, collective bargaining rights and other employment protections to farmworkers.
- **Domestic Workers.** We will support legislation to guarantee minimum wage, overtime and other labor protections for domestic workers.
- **Accountable Development.** We will support legislation to require public contractors and recipients of state and local subsidies to create good jobs in the United States that meet wage and benefit standards.
- **Community Benefits Agreements.** We will work with unions in various sectors, municipalities and community partners to negotiate agreements with developers and contractors to support labor standards, provide benefits to the community and utilize union apprenticeship programs.
- **Collective Bargaining Rights.** We will support legislation to extend bargaining rights to workers who do not have them and oppose legislation that impairs existing rights.
- **Fair Share Revenue.** We will support legislation to raise tax revenue from the wealthy to avoid loss of vital public services.
- **Unemployment Insurance.** We will support state legislation to address the financial crisis of the UI system and oppose proposals to reduce benefit weeks or amounts.
- **Living Wage.** We will support ordinances to establish living wage standards.
- **Paid Sick Days.** We will support earned sick day ordinances and legislation.