

# 7 **Protecting and Promoting Economic and Social Justice**

Improving Health Care for All

Ensuring Retirement Security for Working Families

Rewarding Honest, Hard Work

Ending Workplace Inequality

**E**ven before the horrifying events of Sept. 11, our nation was at a crossroads. A decades-long chipping away at fundamental workers' rights and family protections threatened to give way to a full-scale rout, as long-standing safety net laws and programs were moved toward the chopping block. Critical questions loomed about our national will and willingness to reduce the economic insecurity faced by millions of workers and their families.

The tragic September attacks brought these questions into even sharper focus and often yielded answers that underscored working families' vulnerabilities and concerns. Time and again, federal policymakers turned their backs on working families—at the very moment when workers and their families most needed their elected leaders' support.

The steady erosion of worker protection systems, both private and public, has left many families vulnerable, and this vulnerability has been heightened during this time of great instability and insecurity. Employment-based programs such as health and disability insurance and employer-paid pensions provide critical protections for working families, but these protections are deteriorating as employers discontinue coverage, shift costs onto workers and alter employment relationships to avoid obligations. At the same time, core social insurance programs—Social Security, Medicare and unemployment insurance, for example—are imperiled by ongoing attempts to diminish the government's role in providing bedrock protections that often serve as working families' only buffer against poverty. And policymakers continue to squander opportunities to strengthen these programs, choosing irresponsible tax cuts that benefit the wealthy instead of promoting family economic security for all.

Against these attacks on essential benefits and protections and in the face of growing insecurity, the union movement reaffirms its commitment to a broad, universal social insurance safety net and strong worker protections that bolster the health, welfare and economic security of all working families.

## **Improving Health Care for All**

The AFL-CIO and its affiliate unions are committed to accessible, affordable, quality health care for all. In the world of private insurance, still the primary source of coverage for most persons with health insurance, costs soar while quality is uneven and employment-based coverage is eroding. Meanwhile, such public programs as Medicare, Medicaid and the State Children's Health Insurance Program (SCHIP) strain to meet the needs of the elderly, people with disabilities and indigent and low-wage working families in the face of ongoing and serious financial, political and ideological challenges.

### **Private Insurance: Rising Costs, Reduced Quality**

American health care is regarded as the world's best, but coverage, cost and quality of care are hardly what might be expected in a world-class system. Almost 40 million individuals younger than 65, nearly one-sixth of the non-elderly population, are uninsured. More than 80 percent of these are in working families that do not have access to employment-based plans or cannot afford to pay their share of employer premiums.

Although the numbers of uninsured individuals have fallen in recent years, they are higher than a decade ago and likely will grow substantially with the economic slowdown. Moreover, even though recent historically low unemployment rates meant more workers had access to job-based health coverage, many low-wage workers still faced considerable barriers to care in the form of onerous cost-sharing. These obstacles will intensify and affect even more workers as health care costs rise again. Health care costs increased about 12 percent in 2001 and are expected to grow as much as 18 percent more in 2002. As employers shift these new costs onto workers in the form of higher premiums or greater deductibles and co-pays, more workers will lose coverage. Finally, recent declines in the ranks of the uninsured reflect, in part, one-time gains from a push to expand coverage among low-income families under Medicaid and SCHIP. These gains are tenuous and may be erased as needs grow while available resources shrink.

Cost pressures also will have a dramatic impact at the bargaining table. Employer demands for more dollars to maintain health care coverage inevitably will lead to labor-management strife. And employers are likely to use the rise in health care costs to try to force trade-offs elsewhere—in wages and other benefits, for example.

In addition to concerns about spiraling cost, consumers, providers and health care workers increasingly are frustrated by their diminishing control over the quality of care they receive or can provide. Consolidation and merger

of health care operations and other industry “reforms” to lower costs and increase profits (especially for managed care companies) have produced severe staffing cuts, interfered with the doctor-patient relationship, unreasonably limited choices for both consumers and providers and erected time-consuming and often counterproductive barriers to prescribing and securing necessary care and treatment. Staff cuts and other changes in the delivery of services have compromised patient care, and the nation now faces a critical shortage of nurses and long-term care workers. Front-line health care workers report serious treatment errors and other quality deficiencies that lead to a vicious cycle: Quality deficiencies exacerbate shortages, which affect care negatively. At the same time, consumers and providers alike have limited avenues of recourse against health plans.

The union movement always has led the way in setting high standards for affordable and quality health care for our members and in securing legislative and other reforms to expand health care access and options for the public at large. We have long fought for universal health coverage, and we continue to do so.

Meanwhile, we will support changes in the current health care system to boost consumer protections and to secure quality, affordable health care through state and federal legislation, public education, collective bargaining and other means. We will encourage and facilitate bargaining and negotiating by member unions and promote joint purchasing and quality initiatives among affiliates designed to realize unions’ potential, as the largest nongovernmental purchasers of health care, to reduce health care costs and influence health care industry practices. Similarly, we will oppose the abandonment of traditional employer-sponsored plans that offer the protections of pooled risks through collective purchasing in favor of “defined contribution” health plans. We will bargain for the participation of front-line health care workers in decision making and encourage more public and private partnerships to address health care quality and patient safety issues. To reduce the alarming rate of preventable medical errors, we will join with policymakers and allied organizations to demand that all levels of government, as well as health care facilities and providers, take real steps to improve provider quality of care and increase patient safety. For example, we will advocate for such concrete actions as the use of computerized drug order entry systems in every hospital, and staffing of hospitals and other facilities by qualified personnel trained in appropriate specialties.

We are committed to helping ensure that health insurance coverage for retirees and early retirees, including Medicare, is affordable and of good quality. Since the future of retiree health coverage is inextricably linked to containing

prescription drug costs, we will work aggressively for a comprehensive Medicare drug benefit.

### **Public Systems: Under Attack and Straining to Meet Demands**

The deepening health care crisis and private insurers' unresponsiveness to it have neither stemmed attacks by conservative politicians on the nation's major public health care programs nor yielded a consistent national commitment to support and fund them adequately. Our national health care programs are designed to meet the needs of our most vulnerable populations. Medicare plays a vital role in extending health care access to nearly all of the nation's seniors and to certain persons with disabilities. Medicaid serves as a health care safety net for low-income elderly and nonelderly individuals by providing comprehensive health benefits and long-term care coverage. And SCHIP works in tandem with Medicaid to broaden coverage to other low-income uninsured children and, in some instances, their parents. These public programs are indispensable to ensuring the physical well-being of tens of millions in America, but they face serious challenges that must be addressed if they are to serve their intended beneficiaries.

Medicare is threatened by renewed demands to privatize the system by turning the guaranteed entitlement to care over to private insurers. Such changes would relegate seniors and persons with disabilities to the vagaries of the private insurance market and break the fundamental covenant to provide guaranteed access to quality health care for all of the nation's seniors. Already, experiments with private insurers in the Medicare managed care program illustrate the risks to seniors that privatization entails: Year after year, roughly 10 percent of Medicare's managed care beneficiaries are dropped from their HMOs as those providers withdraw from the marketplace.

Medicare does need to be modernized to provide prescription drug coverage and more preventive care, as well as voluntary buy-in for early retirees and laid-off workers 55 and older, and to secure its financing. But all Medicare benefits, including a prescription drug benefit, must be part of the Medicare program. Any renewed attempts to privatize part or all of the system must be turned back to ensure a guaranteed entitlement continues.

The viability of both the Medicaid and SCHIP federal-state matching programs depends on adequate funding and effective outreach to eligible individuals. Both are lacking. Medicaid enrollment declined as a result of welfare reform in 1996, though many individuals and families that lost coverage were, in fact, still eligible for care. More recently, states are staggering under the burdens of rising Medicaid costs. Funding for SCHIP is being cut, and the

program is threatened by proposals to allow states to use SCHIP monies for purposes other than serving low-income children and their families.

Now is not the time to turn our backs on the nation's publicly funded and publicly administered health care programs for seniors, people with disabilities, the poor and low-income children. Instead, we must do more to improve the capacity of these programs to meet the needs of their intended beneficiaries.

The union movement has an abiding commitment to a publicly financed and publicly administered Medicare program; we will fight every effort to privatize Medicare. Instead of allowing Medicare opponents to dismantle and dilute the program, we will work for thoughtful reforms that boost its solvency while improving benefits and containing participant costs. We will redouble our efforts to win a guaranteed prescription drug benefit that is universal, comprehensive, voluntary and affordable to all seniors and provided within the Medicare program rather than through private insurers.

We believe unions are uniquely well qualified to play an active and sustained role in any efforts to improve Medicare. Union health plans offer the best care options and prescription drug coverage in the country; some plans have health management programs that maximize the quality of care while keeping costs in line. These and other models should be explored for their potential replication within Medicare. Finally, we will continue to provide information and advocacy tools to our members so they may be engaged fully in debates about Medicare's future.

We also will continue working to boost health care coverage for working families with limited incomes through support for appropriate federal and state legislation as well as outreach and education for our members and for other workers. We will fight for more funding for public systems such as Medicaid and SCHIP to maximize their potential to provide health care coverage to the uninsured. We will monitor states' implementation of these programs in the wake of new changes ostensibly promoting greater "flexibility," in order to ensure that recipients continue to receive uniform, comprehensive benefits.

The AFL-CIO, its affiliates, state federations and central labor councils will work with community allies in targeted states to expand SCHIP programs. Among other things, we will pursue opportunities for pairing public and private resources to make SCHIP and similar public programs available to low-wage working families, including expanding job-based coverage to uninsured family members. And we will work with our partners to improve outreach to boost enrollment among eligible poor and low-wage workers and their families.

## **Ensuring Retirement Security for Working Families**

The AFL-CIO and its affiliate unions are committed to a strong national retirement system that is built on a foundation of guaranteed Social Security benefits supplemented by employment-based pensions and private savings.

## **Protecting and Strengthening Social Security**

As the nation's pre-eminent social insurance program, Social Security was designed to respond to the loss of income that accompanies the retirement, disability or death of a wage earner by building individual family security through the combined contributions of every worker in the nation. Benefit levels are set by law and are based on each worker's lifetime earnings. Benefits are designed to provide critical income support and preserve family living standards. Benefits cannot run out. They maintain purchasing power in the face of inflation. And they are tailored to meet the needs of families, with larger benefits for workers with children than for those without. The program design allows the system to provide predictable, dependable benefits as a foundation for family security.

As we look toward the future, the nation must take steps to strengthen Social Security. Government experts predict that Social Security can pay full benefits until 2038; thereafter it will be able to cover roughly 70 percent of promised benefits. We need to strengthen and protect Social Security, but without jeopardizing its capacity to provide workers a guaranteed foundation of retirement and income security or undermining its family protections.

Questions about how to finance Social Security adequately in the future, however, have been seized on by some as a reason to radically restructure Social Security by replacing part of its guaranteed defined benefits with private individual investment accounts. Wall Street firms, which stand to reap huge profits from individual accounts, have taken a leading role in promoting privatization and have indicated they are ready and willing to spend tens of millions of dollars to convince the American public to buy into their plan. If successful, these firms could rake in as much as \$240 billion over just the first 12 years.

Privatization threatens the integrity and hallmark of Social Security: its ability to provide families with a foundation of income security. Funding private individual accounts likely would require large cuts in both Social Security's guaranteed benefits and workers' total retirement income. And replacing Social Security's benefits with private accounts would cut the vital family protections so many have depended on for so long.

For these reasons, the AFL-CIO has fought and will continue to fight efforts to privatize Social Security. Displacing any part of this system to create

costly individual investment accounts would undermine Social Security's foundation of family income security and weaken its retirement, disability and survivor's protections. So, too, would replacing any part of the remarkably efficient and effective Social Security Administration (SSA) with private management. We also reaffirm our long-held view that no reform proposal that jeopardizes the retirement security of current and future government workers who have been excluded from Social Security should be considered.

The AFL-CIO supports proposals that will address concerns about Social Security's future while strengthening family economic security. The system's long-term financing needs can be addressed through modest, progressive changes, such as raising the payroll tax cap or canceling the phase-out and repeal of the federal estate and gift tax enacted in 2001 and dedicating some of the revenue from it to Social Security. Any reform must also include improvements in benefits for women—for example, reducing the penalty women incur in the form of lower benefits because of the years they spend out of the workforce caring for children or elderly relatives and increasing benefits for elderly widows.

We believe the AFL-CIO's aggressive and highly effective member education and advocacy program played a significant role in derailing earlier efforts to privatize Social Security. Hence, we renew our commitment to providing an ongoing education program and advocacy tools that keep working families informed and help them become active participants in saving Social Security.

We also call on Congress and the president to provide the SSA with enough funding to ensure the agency will have sufficient staffing and resources to deliver the high level of service the public deserves. Without attention to the needs of SSA, which has been downsized severely and faces a surge in its workload as Baby Boomers retire, the public will be harmed.

### **Expanding Pension Coverage and Benefits**

Pensions are a crucial piece of our national retirement system. While Social Security provides a floor of protections, it is not designed to provide an adequate retirement income by itself. Pensions are an important supplement to Social Security, but pension benefits are not shared fairly. More than 45 million workers are not covered by retirement plans at work, and only a little more than one-fourth of older Americans receive pensions. Benefits go disproportionately to upper-income workers; women and people of color most frequently are excluded from pension coverage.

More than any other worker benefits system, public or private, the employment-based pension system has been reshaped over the past two

decades by employers to serve their own interests at the expense of workers' economic security. Employers continue to shift from secure, defined-benefit plans to 401(k) defined-contribution plans to which workers must contribute money up front. The workers who most need to supplement Social Security—low- and middle-income workers—often receive few, if any, benefits from 401(k) accounts because they have been able to make few, if any, contributions to the accounts. These plans also shift the risks and burdens of investing from employers to individual workers.

Even more troubling is the push by some companies to cut costs by stuffing workers' retirement accounts with employer stock, ensuring that workers' retirement hopes sink or swim with the company. Employers also continue to convert their traditional defined-benefit pension plans to so-called cash-balance plans. These conversions pose significant risks to current workers, particularly older, long-service employees, because the new arrangements can result in deep cuts in expected future benefits. These conversions have taken place without adequate regard to potential consequences for workers. And some employers continue to look for new chances to raid pension assets for corporate purposes.

The AFL-CIO affirms its commitment to a national pension system that extends meaningful coverage to all workers, promotes portability, provides adequate retirement income and protects workers' pension assets against the continuing threat of employer raids. Through collective bargaining and legislative activity, we will work to secure defined-benefit pension plans that guarantee lifetime retirement benefits for the life of covered workers. We support the addition of Section 401(k), 403(b) and 457 plans to retirement packages but will resist employer efforts to replace defined-benefit plans with defined-contribution plans. We also support cost-of-living adjustment clauses to protect the purchasing value of pension benefits and affirm our commitment to defending and advancing one of the longest-standing retirement security programs, the railroad retirement system.

### **Individual Savings: The Weakest Leg of the Retirement Income Stool**

Retirement security often is described as a three-legged stool, supported by Social Security, pension income and individual savings. Calls by pundits and industry for workers to save for themselves have grown louder and more frequent, while private savings rates have declined significantly. Workers find it harder and harder to make ends meet and have less to put away for the future. The AFL-CIO thinks the keys to increased private savings are full employment, consistent job security and strong wage growth. To enhance



working families' current and future economic security, we will redouble our efforts to bargain for good wages and benefits, and we will push for passage of federal and state legislation designed to raise wages—such as minimum wage and prevailing wages measures—and to provide stable, secure and family-supporting benefits.

Policies that improve the Social Security system, extend private pensions to more workers and increase earning power are essential to improving retirement security. The AFL-CIO will continue to work for passage of such policies.

### **Rewarding Honest, Hard Work**

The AFL-CIO and its affiliate unions believe in the value of honest, hard work. In an affluent and democratic society, wages, benefits and job protections should secure a decent and certain standard of living for working families. For all too many workers, however, low wages, limited benefits and uncertain protections spell economic insecurity even during employment. Moreover, because economic well-being for most of the nation's working families is tied explicitly to the benefits that flow from actual employment, early retirement or job loss resulting from termination, downsizing or injury compromises financial security and threatens impoverishment. To combat such insecurity, the AFL-CIO supports a broad range of policies and programs both within and outside the workplace to make work pay and to provide needed cushions for working families during times of economic adversity.

### **Defending the Wage Floor and Basic Worker Standards**

The AFL-CIO and its affiliate unions are firmly committed to maintaining a national wage floor, adjusted regularly, to protect low-wage workers and their families. The AFL-CIO was a leader in the fight for the last legislated minimum wage increase in 1996, which restored some of the value the minimum wage lost during the 1980s. Complementing national efforts, state labor federations have led the fight for state minimum wage hikes, some of which include such positive innovations as automatic indexing of increases. In addition, the AFL-CIO, its affiliate unions, state federations and central labor councils have played leadership roles in winning passage of more than 60 local living wage laws around the nation. These measures, which require certain businesses receiving public monies to pay covered workers hourly wages above the poverty level, boost earnings for low-wage workers, help ensure that taxpayers' dollars do not subsidize low-wage employers and promote the use of public money to pave an economic high road of good jobs with decent pay and benefits.

Unions also have fought to preserve the Davis-Bacon Act and Service Contract Act, along with their state counterparts, which are key to ensuring high-quality performance while maintaining family living standards. In a related fashion, project labor agreements, negotiated between government agencies, unions and private employers to manage large, publicly financed construction projects, establish wage and compensation levels and work rules for both union and nonunion workers that ensure competent and consistent job performance.

The AFL-CIO and its affiliates are firmly committed to protecting the nation's basic wage standard laws. We will work tirelessly to raise the minimum wage and will fight any efforts to roll back this fundamental guarantee, either by allowing states to opt out of increases or allowing them to further reduce the numbers or types of workers covered under minimum wage laws. We will continue to work at the state and local levels to enact new minimum wage and living wage measures. We will fight all efforts to repeal or reduce prevailing wage protections at the federal, state or local level; we will work, instead, to boost protections under these laws. We will continue to fight efforts to block the use of project labor agreements on publicly financed construction projects.

We are also committed to preserving and protecting Sector 13(c) transit worker job protections and collective bargaining rights, which have produced remarkably stable labor relations in the transit industry that have benefited employers, employees and the public. And we will fight any efforts to pervert the Railway Labor Act to weaken aviation and rail workers' position in collective bargaining, including the imposition of "baseball style" arbitration on these workers.

We also reaffirm our commitment to the nation's bedrock labor standards law, the Fair Labor Standards Act. Congressional conservatives and free market ideologues are trying to roll back the FLSA's basic 40-hour workweek and mandatory overtime pay protections, narrow coverage, expand exemptions and mandate new methods to calculate base pay in order to reduce employers' overtime liabilities. Proponents say these changes will adapt the FLSA to the 21st century workplace. Yet, as we are reminded by the frequent ugly disclosures of garment industry sweatshops, low-wage piecework exploitation by Silicon Valley high-tech employers and major corporations requiring workers to put in time off the clock, the FLSA and similar state laws remain the pre-eminent protection against exploitation of workers, especially those most vulnerable to abuse. The AFL-CIO and its affiliates will fight to preserve the FLSA's protections and continue to resist efforts to erode even further the law's essential wage-and-hour protections. In addition, we will continue to push for FLSA reforms

that genuinely reflect the changed circumstances of many workers and the statutory and regulatory modifications needed to make sure the law's basic protections cover them. We also will work through our state and local labor bodies to pass even stronger wage-and-hour protections at the state level. Ensuring minimum wage guarantees and FLSA and other basic labor protections is particularly important for vulnerable new entrants to the workforce, such as immigrants in low-wage jobs and individuals moving from welfare to work. The union movement historically has fought against creation of a two-tier workforce, insisting that all workers must enjoy fundamental job rights and job protections. The AFL-CIO and its affiliate unions led the successful campaign to secure a governmental affirmation that basic federal protections, such as minimum wage and overtime rights, apply even to workers in workfare programs. With welfare reform up for review next year, it is likely that some will try to seize the opportunity to roll back protections for these vulnerable workers. We will fight every effort to reduce or dilute these workers' protections.

### **Ensuring Against Economic Insecurity From Job Loss**

Strong and effective unemployment insurance and employment service programs are core components of the nation's social compact with its working families. Unlike other elements of the social safety net, however, these programs are administered primarily at the state level. In state after state, ongoing efforts to cut employers' unemployment insurance contributions, reduce benefits and impose obstacles to eligibility threaten to undermine the objective of ensuring workers' economic security during periods of unavoidable separation from work.

The U.S. Employment Security and Unemployment Insurance (UI) system is a key stabilizer of the American economy and of working families' economic security. Workers pay into the UI system through their employers' contributions, and the system, in turn, provides workers with income and re-employment services during periods of economic vulnerability for themselves and their families. Despite its potentially vital role, the unemployment insurance system has fallen into serious disrepair.

Today, only one-third of unemployed workers receive unemployment insurance benefits, which replace only one-third of their lost wages. Obstacles to participation and states' failure or refusal to improve coverage and benefits threaten to diminish even further the protections of this important social insurance program. Meanwhile, the Employment Service—the core of the strong, integrated national labor exchange system necessary to get the unemployed into good-paying jobs as quickly as possible—is woefully underfunded and overwhelmed with need.

The union movement believes it is long past time to enact comprehensive unemployment insurance reforms. The AFL-CIO, its affiliate unions, state federations and central labor councils will fight for federal and state reforms providing broader access to benefits, better wage-replacement rates and benefits of sufficient duration to enable workers to find the best possible employment. We also will continue to push for such reforms as mandatory alternative base period accounting, increased benefit levels and revised eligibility standards to expand protections to more workers, particularly low-wage earners, women and workers in nonstandard arrangements. We strongly support reform of the Extended Benefits program trigger to make it more responsive to economic conditions. We will oppose state legislation designed to use unemployment eligibility standards to lock workers into temporary jobs rather than allowing them to search for stable, secure positions.

In addition, we will continue to oppose efforts to devolve administrative funding to the states and will fight for resources necessary to shore up the unemployment insurance and employment services systems. We also will continue to support the delivery of Employment Service programs through merit staff working for the state agencies with labor and employment program authority and responsibilities.

Only through sound investments and thoughtful reforms such as these can we restore and rebuild a stronger and more vital unemployment insurance system that meets the needs of working families today and tomorrow.

### **Protecting Workers in Nonstandard Work Arrangements**

Employment relationships have changed dramatically in recent decades. Instead of near lifetime guarantees of stable, full-time employment with one employer, today's workers are likely to move among eight or more jobs over their careers. It is increasingly likely that a worker will spend some or all of his or her work life in nonstandard work arrangements—temporary, part-time or contract jobs that often pay less, provide few or no benefits and offer limited job security. These workers also have fewer legal protections because the nation's safety net of job protection laws and social insurance programs explicitly or implicitly excludes individuals who are not classified as "employees," who work part-time or who are on the payroll of one company, such as a temp agency, while performing work for another.

Roughly three of 10 workers are in nonstandard work arrangements. Many of these workers would prefer stable, full-time employment, especially during economic downturns, when they are the first to be let go. Often, the decision to be classified as a temporary employee or an independent contractor is not

one the worker makes; rather, employers decide how to classify their employees and then unilaterally impose their decisions, frequently without regard to whether the classification is correct or not. Indeed, misclassifying employees is often a ruse to cut employers' costs and reduce their legal obligations to workers, in the process cutting workers' pay and benefits and robbing them of job security.

Virtually all employers today employ workers in one or more nonstandard arrangements, and many plan to expand their reliance on these arrangements in the future. Institutionalizing nonstandard work arrangements as a core staffing strategy has contributed to destabilizing employment arrangements for all workers and to an overall decline in wages and benefits.

The AFL-CIO and its affiliates support good-faith efforts to provide greater flexibility for working families (see Resolution 9). We recognize that nonstandard work arrangements may provide flexibility for some, especially workers who must balance work with family, school or other responsibilities. But so-called flexibility does not justify lower wages, fewer benefits, limited protections and no job security. All workers, regardless of their job classifications, deserve the benefits of America's job protection and social insurance systems. And no employer should be allowed to circumvent these protections by misclassifying employees.

The AFL-CIO, its affiliate unions and state and local labor councils will continue to work for new protections for workers in nonstandard arrangements, including the right to fair pay and benefits without regard to how the employment relationship is classified. In organizing and bargaining, we will work to take advantage of new opportunities created by recent National Labor Relations Board decisions to extend the advantages of union representation to workers in temporary employment arrangements. In coalition with other worker advocates, we will raise public awareness of the problems associated with nonstandard work arrangements and press for voluntary actions by employers to increase pay and benefits for workers in these arrangements.

### **Ensuring Accountability by Government Contractors**

The federal government, as a consumer and purchaser of goods and services, has a right and an obligation to spend taxpayer money in a way that reinforces, and does not undermine, our nation's laws and values. Our taxes, in the form of federal contracts, should not go to companies that are chronic violators of civil rights, environmental and worker protection laws. Nor should taxpayers ever be expected or required to subsidize federal contractors' violations of workers' rights. Federal contracts should go to responsible contractors only.

The AFL-CIO wholeheartedly supports commonsense rules that require companies to have satisfactory records of complying with the law in order to be eligible to receive government contracts and that prevent companies with records of repeated, pervasive or significant violations of civil rights, workplace and environmental laws from receiving lucrative federal contracts. Companies that discriminate against women or people of color, that regularly put workers at risk by violating our health and safety laws or that repeatedly violate environmental laws should not be rewarded with valuable, taxpayer-funded federal contracts.

Rules that would have achieved these important goals were put in place in early 2001. Unfortunately, as soon as it took office, the Bush administration quickly and quietly suspended those rules and began actions to repeal them. The AFL-CIO calls on the Bush administration to drop its proposal to repeal the responsible contractor rules and reinstate them promptly.

## **Ending Workplace Inequality**

Congress first legislated a comprehensive ban on workplace discrimination in 1964, when the union movement joined its allies in the civil rights movement to secure passage of the seminal Civil Rights Act of 1964. Since then, the AFL-CIO and its affiliates have been in the forefront of efforts to strengthen and expand nondiscrimination guarantees and to increase penalties and remedies for violations of the law (see Resolution 8). Yet despite the decades-long application of civil rights guarantees and despite real gains in workforce participation and opportunities for women, people of color and, more recently, people with disabilities, older workers, discriminatory employment practices and shocking inequality persist.

One manifestation of persistent discrimination is the continuing wage gaps between working women and men and between minority and nonminority workers. In 2000, women working full-time earned only 73 percent as much as men. Minority workers earn less than their nonminority counterparts: African American men earn 78 percent as much as white men, and Latino men earn 63 percent as much; African American women earn 89 percent as much as white women, and Latina women earn 73 percent as much. Not surprisingly, women and people of color are also more likely than white men to earn poverty-level wages. In 1999, women were one-third more likely than men to be among the working poor, and African Americans and Latinos were two to three times more likely than white workers.

One reason women and people of color earn less than white men is because employers, even those often thought to have enlightened employment policies,

engage in practices that are discriminatory in design or in effect. In the past five years alone, the Office of Federal Contract Compliance Programs (OFCCP) collected more than \$11 million in wage adjustments and back pay awards for women and people of color from just six federal contractors, based on findings that the companies discriminated in their wage or hiring practices. Included among these contractors were such corporate giants as Boeing (\$4.5 million), Texaco (\$3.1 million), CoreStates (\$1.5 million), Kohler (\$900,000), Waste Management (\$750,000) and Computer Sciences Corporation (\$734,000). And in November 2000, the Coca-Cola Company agreed to pay more than \$156 million to 2,000 active and former African American employees to settle a lawsuit that alleged, among other things, that African American workers at Coca-Cola earned \$26,000 a year less, on average, than white workers.

Minority and women workers also earn less because they are more likely than white men to work in lower-paid clerical and service jobs. For example, 18 percent of African American workers and 17 percent of Latino workers are employed in service-sector jobs that are typically low paid, compared with just 10 percent of white workers. That same pattern holds true for women. Men earn more even in professions that are women's strongholds. Among nurses, women earn only 88 percent as much as men; among teachers, they earn only 82 percent as much.

The consequences of workplace inequities are played out in racial and ethnic differences in family incomes and poverty rates, which spell major differences in lifelong opportunities. Family incomes for African American and Latino families still are only 60 percent those of white families. In 2000, the poverty rate was 22 percent for African Americans and 23 percent for Latinos, compared with 10 percent for white persons. Child poverty is also greater in families of color: 9 percent of white children younger than 18 are poor, less than one-third the rate of African American (31 percent) or Latino (29 percent) children.

Lower wages, truncated job opportunities, reduced family incomes and higher poverty rates for minority and women workers are mirrored in the wages and employment opportunities of people with disabilities. These patterns result from a persistent and regrettable history of discrimination in the workplace and in society at large.

The union movement has fought long and hard to end discrimination and to bring real equality to the workplace. We are committed to achieving inclusive workplaces in which individuals are judged solely on the basis of experience and ability, not on the basis of arbitrary and discriminatory criteria. We know much remains to be done. The AFL-CIO reaffirms our historic commitment to

fight against and eradicate workplace discrimination once and for all, and to use the collective power and voice of the union movement to ensure equal opportunity for all workers in the United States.

We will continue to agitate on the shop floor, at the bargaining table, in the courthouse and before legislatures to end discrimination and to open up opportunities previously foreclosed to women, minority, older and disabled workers. We will fight for passage of stronger equal pay laws at the federal and state levels. We will represent our members and other workers in lawsuits challenging discrimination in hiring, promotion, pay and other terms of employment. We will oppose any efforts to relax government contractors' obligations to satisfy the non-discrimination and affirmative action requirements administered by OFCCP, and we will serve as public watchdogs to make sure that agency continues to enforce the executive order programs vigorously. We will work to restore meaningful and full protections for state and local employees under all our employment and labor laws.

Nothing is a more important or more accurate measure of the United States as a nation or of us as a movement than our commitment to ending workplace discrimination. We will do our part in that crusade. Today, more than at any time in recent history, there is a clear and present need to stitch the social safety net and extend social and economic justice to all working families. The union movement will redouble our efforts to that end. At the bargaining table, at the ballot box and in the halls of power, we will fight to preserve and improve Social Security and Medicare; to strengthen the nation's health care system; to raise wages; to shore up such important social insurance supports as unemployment insurance; to check the erosion of basic workers' rights; to secure fair treatment for workers in nonstandard employment arrangements; to end workplace inequality; and to ensure that government contracts go only to responsible contractors. We have within our means and our reach the opportunity to build a better economy, workplace and nation for all working families. In this century as in the last, the union movement stands ready to meet this challenge.