

RESOLUTION 4

INVEST IN BETTER JOBS AND STRONGER FAMILIES

Submitted by the Committee on Legislation/Policy and the Executive Council

Our economic system is skewed in favor of Wall Street, wealthy billionaires and giant corporations. We must urgently rewrite the rules of the economy to ensure good jobs—with high wages, safe working conditions, quality benefits and respect—for all workers.

The richest 1% of Americans have made a fortune from this pandemic. They have been remarkably successful in ensuring that profits go to them instead of workers. Corporate profits reached an all-time record high in 2021, and America's billionaires increased their fortunes by 57%—or \$1.7 trillion—during the past two years.

To be sure, thanks to timely legislation such as the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan, recovery from this recession has been much faster than in the past; poverty fell in 2021; and job growth last year was the highest in our history. Yet those pandemic relief bills have now expired, and the tapering of public investment will act as a drag on the economy going forward.

To help rebalance our top-heavy economy and society, the AFL-CIO commits to supporting an agenda to make the kind of public investments we need to achieve better jobs and stronger families. We must restore our industrial base to make things in America again, with well-trained union members doing the work, and for that we need an industrial policy. We must continue upgrading our physical infrastructure for the 21st century, as well as the kind of infrastructure that reduces everyday costs for working families and breaks down the barriers that have kept so many people from returning to the workforce. We also need to make sure corporations and the wealthy pay their fair share of taxes, which will help pay for these investments.

Of course, for working people to get our share of the prosperity that we help create, we must also ensure that

every worker in America has the freedom to join a union [see Resolution 7]; raise the minimum wage high enough to guarantee a living wage for working families; root out discrimination from every corner of our society and economy [see Resolution 3]; and make Wall Street work for working people.

The same people who made a fortune from the pandemic are now saying that workers are to blame for rising consumer prices. This is not true. The evidence is clear that wages are not driving inflation. So why would they be saying this? To support their demand for policies to keep wages down following years of frozen or stagnating wages, and to defeat proposed legislation to invest in better jobs. In short, they are trying to grab an even bigger slice of the economic pie for themselves. But good jobs and good wages are not the cause of higher prices; they are the solution.

The AFL-CIO's agenda to invest in better jobs and stronger families includes the following components.

- **Make Things in America.** In every other developed country, a healthy manufacturing sector is the key to maintaining high wages, global competitiveness and robust productivity growth. The crisis of U.S. manufacturing and the steep decline in unionized manufacturing employment and working conditions have fueled the rise of economic inequality, and now threaten the future of our economy and our democracy. Pandemic-related shortages have revealed the alarming condition of our supply chains after decades of bad trade deals and offshoring orchestrated by Wall Street.
 - Enact and deploy a U.S. industrial policy, like those of other major industrial powers, with at-scale investments to rebuild and reshore robust domestic manufacturing and supply chains, including strong domestic content rules, manufacturing labor standards and workers' rights

provisions applied across all relevant investments in energy, technology and infrastructure [see Resolution 5].

- Engage and empower labor unions to shape implementation of these investments at the federal and local levels and strengthen the ability of workers to shape the development, commercialization and deployment of technology in the workplace.
- Focus on the creation of robust, high-road domestic supply chains in emerging and economically critical sectors, including clean and advanced energy; transportation technology and components; and critical minerals.
- Strengthen and expand Buy America and Buy American policies, especially in defense production, and work toward the establishment and implementation of Buy Union preferences.
- Ensure that advanced technology developed with public funding is produced in the United States, and link tax incentives for research and development to domestic production.
- Promote clean and equitable industrial development through the use of pro-worker and pro-climate procurement, investment and trade provisions.
- **Lower Everyday Costs for Working People.** Instead of lowering wages, as some are now demanding as the answer to inflation, we should lower everyday costs for working people. We must also upgrade the infrastructure of programs and resources that working people, in particular working women [see Resolution 8], need to join the workforce, get to work or do their jobs.
 - Develop and extend our system of care for children, elders and people with disabilities, which is too often inaccessible for working families.
 - Provide for free universal pre-K.
 - Guarantee 12 weeks of paid family and medical leave for all workers.
 - Restore the child tax credit provisions of the American Rescue Plan.
 - Lower prescription drug costs through drug pricing reform.
 - Close the Medicaid coverage gap.
 - Lower the Medicare eligibility age to 50 and expand Medicare to include vision, hearing and dental benefits.
 - Expand Pell Grants, create 20,000 community
- schools and fully fund the Individuals with Disabilities Education Act (IDEA).
- **Restore Tax Fairness.** Tax cuts for the wealthy and big corporations in recent decades have limited the ability of the government to meet the needs of working people, while inequality has reached record levels. Any agenda to make the economy work for working people will require a significantly higher level of federal revenue.
 - Reject budget austerity, budget caps, automatic spending cuts and the balanced budget amendment and begin a multiyear plan to reinvest in vital public services that have been underfunded for many years, including robust new investments in child care, schools, health care, fire and emergency services, and infrastructure.
 - Make corporations pay their fair share by raising the corporate income tax rate to at least 28%; imposing a 15% minimum tax on book income; establishing a minimum tax of at least 21% on foreign earnings; charging a tax penalty on corporations that ship jobs overseas in order to sell things back to the United States; and supporting a global corporate minimum tax higher than the current 15%, together with an enforcement mechanism.
 - Make the wealthy pay their fair share in taxes by raising the top individual tax rate to 39.6%; imposing a surtax on millionaires, including on unrealized capital gains; taxing the investment income of millionaires at the same rate as ordinary income; levying a small tax on trading of stocks, bonds and other Wall Street financial products to discourage risky speculation; restoring the 2001 estate tax; and establishing an above-the-line deduction for union dues.
- **Take on Wall Street.** Rebalancing our economy requires radical reform of Wall Street, which today serves to transfer income and wealth upward and normalize gambling, rather than channel investment toward the creation of good jobs.
 - Promulgate a new and improved Volcker Rule and enact the 21st Century Glass-Steagall Act to prevent bank speculation and encourage banks to invest in the real economy.
 - Provide for high-quality, low-cost basic financial services at post offices.
 - Reform corporate bankruptcy rules, including

through increasing the priority of paying workers' wages.

- Eliminate tax loopholes used by private equity firms to drain productive companies of their resources.
 - Prohibit corporations from buying back their stock on the open market instead of reinvesting their earnings to grow the economy.
 - Break up the too-big-to-fail banks and enhance the enforcement of our country's antitrust laws to prevent the growth of corporate monopolies.
 - Nominate Federal Reserve Board governors who support the statutory goal of full employment, with a view to minimizing the differential in unemployment rates for Black workers, and effective bank regulation to discourage speculation.
 - Continue the AFL-CIO program of active engagement between union leaders with the Federal Reserve Board and staff.
- **Upgrade U.S. Infrastructure for the 21st Century.** The Infrastructure Investment and Jobs Act (IIJA) will provide critical funding for roads, bridges, airports, rail and public transit systems, clean drinking water, universal broadband, electric school buses, electric vehicle charging stations and our electric power grid, but much more needs to be done.
 - Continue working with the Infrastructure Implementation Task Force to ensure that IIJA implementation includes high labor standards

that strengthen unions, protect workers, expand job quality, promote equity in infrastructure and ensure local communities reap the full benefits of federal funding by providing for project labor agreements, Buy American rules, prevailing wages and guaranteeing the freedom to join a union.

- Develop strong partnerships with applicants and recipients of federal funding to provide broad access to training and apprenticeship programs and provide a consistent pool of workers to perform project work.
 - Improve job quality by ensuring good jobs free from discrimination and harassment for all workers, especially those who are Black, Indigenous or people of color, LGBTQ+, women, immigrants, veterans, individuals with disabilities and individuals in rural communities [see Resolution 4].
 - Provide additional federal funding for rail transit and the postal vehicle fleet.
- **Protect Working Families from Rising Prices.** In addition to lowering costs for working families, we must address the real root causes of consumer price increases (and price instability generally). We need first and foremost to end the pandemic; resolve supply chain disruptions; stop corporate price gouging; and upgrade our obsolete infrastructure to get products to market faster. We note that price gouging has been far less of a problem when basic goods and services are provided through the public sector.