



ECONOMIC SECURITY FOR AMERICA'S WORKING WOMEN

The American dream is increasingly out of reach for many people, including far too many women and their families. Despite decades of progress, women still make only 77 cents for every dollar a man makes – with Latino and African-American women earning even less. Women have experienced stagnating wages, declining health care coverage, erosion of pension protections, rising personal debt and have watched jobs disappear as a result of global competition and rising housing costs. As larger percentages of women have entered the workforce, working hours have grown longer and family caregiving obligations have been stretched. Most American workers cannot adjust their work schedules to handle a family emergency without the risk of losing their jobs or take a day off to care for a sick or newborn child without the risk of losing pay or vacation days.

Barack Obama will enact an economic security agenda for America's working women that will:

- Provide 71 million working women with a tax cut of up to \$500 – or \$1000 per family – to help offset the impact of stagnant wages and skyrocketing costs.
- Address the challenge of balancing work and family by guaranteeing seven days of paid sick leave to the 22 million working women who currently have none. Obama will also expand the Child and Dependent Care tax credit to an additional 7.5 million working women, double funding for afterschool programs to serve 1 million more children, and will provide summer learning opportunities to an additional 1 million young people.
- Reduce health care costs by \$2,500 for a typical family, while providing affordable health care for every American.
- Strengthen retirement security for working women, who currently enter retirement with less than half the retirement savings of men. Obama's plan will automatically enroll workers in retirement accounts (with the option to opt-out) and make these accounts portable to help working parents save while balancing their family obligations.
- Promote paycheck equity and help close the pay gap that leaves women earning only 77 cents for every dollar earned by men. The pay gap is even more pronounced for minority working women – with Hispanic women earning only 53 cents and African American women only 62 cents for every dollar of male earnings.
- Put the cost of college in reach for by providing a \$4,000 refundable tax credit available at the time of enrollment in exchange for community service.
- Help low-wage working women move into the middle class by increasing the minimum wage to \$9.50 by 2011, and indexing it to inflation, and by expanding the Earned Income Tax Credit (EITC).

Paid for by Obama for America

Printed in House

JOHN MCCAIN'S PLATFORM DOES NOT SUPPORT WOMEN

John McCain's "policy platform is clearly at odds with the needs and hopes of many American women," a report by the Center for American Progress found.¹ John McCain:

- Opposes legislation to fix a Supreme Court Decision that made it harder for women to file civil right suits for equal pay under Title VII of the Civil Rights Act. He even skipped an important vote on the issue.²
- Repeatedly opposed increasing the minimum wage, even though 60 percent of minimum wage workers are women.³
- Repeatedly voted to cut the Earned Income Tax Credit (EITC) – which Ronald Reagan called “the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress.”⁴
- Has no plan to expand paid leave and sick leave for working Americans.
- Has no plan to help parents juggle work and family, such as making high-quality childcare more affordable. And he has repeatedly voted against increasing funding for child care and Head Start.⁵
- Has no plan to provide immediate tax relief for middle-class working families. Instead, John McCain has offered a regressive tax policy that overwhelmingly benefits the wealthiest Americans and corporations.⁶

THE OBAMA PLAN TO SUPPORT WORKING WOMEN AND FAMILIES

Fight for Pay Equity: Throughout his career, Barack Obama has championed the right of women to receive equal pay for equal work. In the Illinois State Senate, Obama cosponsored and voted for the Illinois Equal Pay Act, which provided 330,000 more women protection from pay discrimination. In the U.S. Senate, Obama joined a bipartisan group of senators to introduce the Fair Pay Restoration Act, a bill to overturn the U.S. Supreme Court's recent 5-4 decision in *Ledbetter v. Goodyear Tire & Rubber Company*. The bill would restore the clear intent of Congress that workers must have a reasonable time to file a pay discrimination claim after they become victims of discriminatory compensation. Obama is also a cosponsor of Senator Tom Harkin's (D-IA) Fair Pay Act. As president, Obama will continue to promote paycheck equity and work to close the wage gap between men and women.

Increase the Minimum Wage to \$9.50 by 2011: Women are the largest group of beneficiaries from a minimum wage increase. Barack Obama believes that people who work full time should not live in poverty. Before the Democrats took back Congress, the minimum wage had not changed in 10 years. Even though the minimum wage will rise to \$7.25 an hour by 2009, the minimum wage's real purchasing power will still be below what it was in 1968. As president, Obama will further raise the minimum wage to \$9.50 an hour by 2011 and index it to inflation.

Expand the Earned Income Tax Credit: Barack Obama will reward work by increasing the number of working parents eligible for EITC benefits, increasing the benefit available to parents who support their children through child support payments, increasing the benefit for families with three or more children and reducing the EITC marriage penalty which hurts low-income families. Under the Obama plan, full-time workers making minimum wage would get an EITC benefit up to \$555, more than three times greater than the \$175 benefit they get today. If the workers are responsibly supporting their children on child support, the Obama plan would give

Paid for by Obama for America

Printed in House

those workers a benefit of \$1,110. The Obama plan would also increase the EITC benefit for those families that are most likely to be in poverty – families with three or more children. Obama was the lead sponsor of bipartisan legislation in Illinois to create a state EITC which provided more than \$100 million in pro-work tax breaks to Illinois families.⁷

Provide a Child and Dependent Care Tax Credit to an additional 7.5 Million Women: The Child and Dependent Care Tax Credit provides too little relief to families that struggle to afford child care expenses. Currently the credit only covers up to 35 percent of the first \$3,000 of child care expenses a family incurs for one child and the first \$6,000 for a family with two or more children. And the credit is not refundable, which means that upper-income families disproportionately benefit while families who make under \$50,000 a year receive less than a third of the tax credit. Barack Obama will reform the Child and Dependent Care Tax Credit by making it refundable and allowing low-income families to receive up to a 50 percent credit for their child care expenses.

Provide 7 Paid Sick Days to 22 Million Working Women: Women are overrepresented in part-time and low-wage positions that lack paid sick leave benefits. As a result, over 22 million working women do not have a single paid sick day.⁸ In industries like retail and accommodations/food services, more than half (55 percent and 78 percent, respectively) of working women have no sick days. These women are forced to choose between foregoing pay to care for an ill family member or for themselves, or going to work when they should remain home. Barack Obama believes that this choice is morally wrong and unacceptable. As president, Obama will require that employers provide seven paid sick days per year. .

Expand the Family and Medical Leave Act (FMLA): The FMLA covers only certain employees of employers with 50 or more employees. As a result, only about half of American workers are eligible for leave under the FMLA. Barack Obama will expand the FMLA to cover businesses with 25 or more employees. Obama will expand the FMLA to cover more purposes as well, including: to care for elderly parents; to participate in children’s school-related activities; and to address domestic violence and sexual assault.

Encourage States to Adopt Paid Leave: According to the National Partnership for Women and Families, 78 percent of employees covered by the FMLA who have needed leave but have not taken it report that it is because they could not afford to take unpaid leave. Of those employees who could not afford leave, nearly 88 percent report that they would have taken leave if they had been able to receive some pay while away from work. Barack Obama will initiate a 50 state strategy to encourage all of the states to adopt paid-leave systems. Obama will provide a \$1.5 billion fund to assist states with start-up costs and to help states offset the costs for employees and employers. Obama’s Department of Labor will also provide technical information to the states on how to craft paid-leave programs consistent with their local needs.

Protect Against Caregiver Discrimination: Workers with family obligations often are discriminated against in the workplace. This is a growing problem, as evidenced by the skyrocketing number of discrimination suits being filed: there has been a 400 percent increase in the number of family responsibility discrimination lawsuits in the last decade. Barack Obama will prevent parents from being discriminated against because of caregiving responsibilities. Obama will commit the government to enforcing recently-enacted Equal Employment Opportunity Commission guidelines on caregiver discrimination.

Expand Flexible Work Arrangements: Working parents often have to juggle not only child care responsibilities, but also care responsibilities for elderly relatives. Barack Obama will address this concern by creating a program to inform businesses about the benefits of flexible work schedules for productivity and establishing positive workplaces; helping businesses create flexible work opportunities; and increasing federal incentives for telecommuting. Obama will also make the federal government a model employer in terms of

adopting flexible work schedules and permitting employees to petition to request flexible arrangements. This program has achieved great success in Great Britain, and Obama will replicate it throughout the federal government.

Expand High-Quality Afterschool and Summer Learning Opportunities: Barack Obama will double funding for the main federal support for afterschool programs, the 21st Century Learning Centers program, to serve one million more children. Obama will include measures to maximize performance and effectiveness across grantees nationwide. Additionally, Obama will create a new summer program that supports partnerships between schools, community groups, and faith-based organizations to provide summer opportunities to an additional 1 million children.

Create Automatic Workplace Pensions: Currently, 75 million working Americans – roughly half the workforce – lack employer-based retirement plans. Only half of female workers have access to an employer-based retirement plan, and only 39 percent participate in those plans.⁹ Even when workers are given the option of joining employer-based plans, many do not take up the option because it requires considerable work to research plans and investment portfolios, and enroll in the plan. Barack Obama's retirement security plan will automatically enroll workers in a workplace pension plan. Under his plan, employers who do not currently offer a retirement plan, will be required to enroll their employees in a direct-deposit IRA account that is compatible to existing direct-deposit payroll systems. Employees may opt-out by signing a written waiver. Obama's plan will give options to the self-employed and new small businesses to access new easy-to-enroll savings plans and direct the IRS to deposit tax refunds into those savings plans for people who choose to save some of their refunds. Under the Obama plan when employees change jobs, their savings will be automatically rolled over into the new employer's system to ensure continued savings. Experts estimate that this program will increase the savings participation rate for low and middle-income workers from its current 15 percent level to around 80 percent.

Expand Retirement Savings Incentives for Working Families: Women are less likely than men to have significant income from pensions and other savings at retirement.¹⁰ Barack Obama will ensure savings incentives are fair to all workers by creating a generous savings match for low and middle-income Americans. Obama will expand the existing Savers Credit to match 50 percent of the first \$1,000 of savings for families that earn under \$75,000, and he will make the tax credit refundable. To help ensure that this proposal actually strengthens retirement investments, the savings match will be automatically deposited into designated personal accounts by using the account information listed on IRS tax filings. Coupled with the automatic workplace pension plan, this proposal will stimulate tens of millions of new Americans to invest for retirement. Over 80 percent of the savings incentives will go to new savers, and 75 percent of people eligible for the incentives who are expected to participate in the new program do not currently save.

Make College Affordable for All Americans: A college education is increasingly vital for success in the American economy. Barack Obama will make college affordable for all Americans by creating a new American Opportunity Tax Credit. This fully refundable credit will ensure that the first \$4,000 of a college education is completely free for most Americans, and will cover two-thirds the cost of tuition at the average public college or university. Obama will ensure that the tax credit is available to families at the time of enrollment by using prior year's tax data to deliver the credit at the time that tuition is due, rather than a year or more later when tax returns are filed. He will make it easier to apply for financial aid by allowing families to submit their aid information by simply checking a box on their tax form. And he will work to ensure that the maximum Pell Grant award is increased for low-income students and will eliminate federal subsidies to private student loan companies.

¹ Center for American Progress Action Fund, 06/11/08 http://thinkprogress.org/wonkroom/wp-content/uploads/2008/06/womens_paper.pdf

² Associated Press, 04/24/08

³ 1989 Senate Vote #179, 6/21/2006; 2005 Senate Vote #257, 10/19/2005; 2005 Senate Vote #26, 3/7/2005; 1999 Senate Vote #94, 4/28/1999; 1998 Senate Vote #278, 9/22/1998; 1996 Senate Vote #58, 3/28/1996; 1996 Senate Vote #184, 7/9/1996; 1996 Senate Vote #186, 7/9/1996; 1995 Senate Vote #344, 7/31/1995; 1995 Senate Vote #519, 10/27/1995; 1989 Senate Vote #29, 4/11/1989; 1989 Senate Vote #39, 4/12/1989; 1989 Senate Vote #68, 5/17/1989; http://thinkprogress.org/wonkroom/wp-content/uploads/2008/06/womens_paper.pdf

⁴ <http://www.ncsl.org/programs/wln/EITCproject.htm>; 1995 Senate Vote #501, 10/26/95; UPI, 10/26/95; 1995 Senate Vote #556, 10/27/95; Boston Globe, 10/28/95; 1995 Senate Vote #176, 5/23/95; Associated Press, 5/24/95

⁵ 2003 Senate Vote #90, 3/25/03; 1997 Senate Vote #153, 6/27/97; 195 Senate Vote #406, 9/11/95; 1989 Senate Vote #94, 6/22/89; 2005 Senate Vote #272, 10/26/05; 2003 Senate Vote #333, 9/9/03; 2003 Senate Vote #86, 3/25/03; 2001 Senate Vote #154, 5/22/01; 1997 Senate Vote #229, 9/10/97; 1992 Senate Vote #106, 5/21/92; 1991 Senate Vote #182, 9/10/91; 1989 Senate Vote #199, 9/21/89

⁶ http://www.americanprogressaction.org/issues/2008/pdf/tax_agenda.pdf

⁷ Chicago Tribune, 2/29/04.

⁸ http://www.iwpr.org/pdf/B254_paidicksdaysFS.pdf

⁹ http://www.ebri.org/pdf/briefspdf/EBRI_IB_11-20074.pdf

¹⁰ <http://www.ssa.gov/pressoffice/factsheets/women.htm>