Making American Life More Affordable

Background

I’m not going to sugar-coat anything here—the income divide is making it even harder to get by in our country. In the past, the C-suite did not receive 300-1,000% higher incomes than the average worker and strong unions were able to increase the quality of life for all workers and their families. Now, we are seeing executive management incomes skyrocketing. Middle management and line staff salaries and wages have stagnated and union membership has declined rapidly. As the middle class continues to work hard—many with two or three jobs—the quality of life is unfortunately decreasing because of this stagnation and the ever-widening income divide.

Too often at meet and greets I hear from people of all ages that tell me their concerns about finances. We have a system that largely benefits the top earners, while the rest of us struggle to pay for rent, student loans, groceries, child care, health care, and more.

These costs aren’t simply a fact of life—as policymakers, we have a duty to create the most positive change for constituents.

Wage Inequality

We’ve seen the rich get richer while working families suffer across the country. One of the root causes of this is the federal minimum wage has not been raised since 2009, and currently it sits at $7.25. Yet, the average hourly wage needed to afford rent is nearly double that. Here in Illinois, the average hourly wage needed to afford a two-bedroom apartment is just over $20.00 per hour.\(^1\)

We need a federal minimum wage of at least $15 per hour. There is a current bill that just passed the House, the Raise the Wage Act (H.R.582), which would raise the federal minimum wage to $15 per hour over five years, and thereafter index minimum wage to the median hourly

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I am supportive of the Raise the Wage Act and the Fight for $15 because we must uplift all workers—this includes temporary and seasonal workers, young people, tipped employees, and individuals with disabilities.

Raising the minimum wage is the morally and financially-just action to take. When there is more money in people’s pockets, we all contribute to the GDP. After the housing crisis over a decade ago, some of us have not yet recovered, and this is largely due to income inequality. For working families working a patchwork of jobs, low wages disproportionately affect their ability to thrive financially. A federal minimum wage increase empowers all families to earn fair wages, but it helps low-income individuals and people of color the most.

The average wage of all employees will rise in more than two-thirds of low-wage industries, and have no evidence of a change in employment status of its workers. For individuals making above the minimum wage in other sectors, familial income does not decrease and neither does employment status as a result. Raising the federal minimum wage empowers all businesses and organizations to pay their workers fairly—it establishes a benchmark and sets a standard for economic justice.

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For decades, women have always made less than men, and this is supported by numerous studies. The gender pay gap exists because of systemic oppression and the status quo, but can also be a result of implicit bias against women, age, disability, and individuals with different ethnic backgrounds.

Compared to men’s median earnings, women only make about 80% of those wages. When broken down further by ethnicity, the gender pay gap is even easier to see.

Some of you might think, didn’t we pass equal pay legislation years ago? Yes, we did. This issue persists because companies are often given discretion, and private companies are not required to disclose what they pay workers. Public entities must--such as government offices. For those fields, pay equity is easier to adopt.

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There is, however, one additional step we could take to reach equal pay once and for all. Decades ago, the Equal Rights Amendment received a lot of attention and nearly was added to the U.S. Constitution. After sitting dormant for decades, Illinois ratified it in 2018, becoming the 37th state to do so. Only one more state is needed to adopt the amendment, although this will likely be met by challenges in Congress and the court system.

The Equal Rights Amendment states, “Equality of rights under the law shall not be denied or abridged by the United States or by any state on account of sex” (National Organization for Women Foundation, 2019). When adopted into the U.S. Constitution, the ERA will protect all workers against sex discrimination in employment, education, and more--and guarantee equal pay as a constitutional right.

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Addressing the Benefits of Unions

As mentioned in our position paper on unions, unions are facing more setbacks than ever before. Yet when unions are strong, they uplift wages for everyone, including non-union workers.

We increase wages for all when unions are strong. To get there, we have a bold vision for growing union presence and membership in communities across the Third District.

Vocational and career training in schools and public spaces

We plan to increase accessibility of unions by placing informational kiosks and training opportunities in all schools, and adding more kiosks to public spaces like libraries and post offices. Too many of our students have no idea about the trades and are forced into the “college or bust” mentality. Yet a union job often provides for a higher quality of life and liveable wages, even upon graduation from high school.

We also plan to use the strengths of our community colleges to access union training, apprenticeship programs, and expand partnerships between the trades and our education system.

Labor in management and on every board

I plan to pass legislation that requires a member of labor management on every board of directors. By growing the relationship between a union’s board and its members, working conditions improve, members are more confident in decision-making, and members play more of an active role in their union. A partnership between the board and members creates mutual gains between the two, and this is reflected in both data analysis and qualitative studies over the years.

Green workforce training and green construction jobs

As the economy changes and we push toward passing a Green New Deal, many skills learned in the trades can be easily transferred to green construction jobs. As mentioned in our underemployment paper, I plan to work closely alongside unions to make sure their members have all the skills they need to thrive. By expanding workforce training sites in IL03 and increasing awareness, we can continue to foster business growth and push for jobs that are environmentally sustainable.

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On Rising Rents and Gentrifying Neighborhoods

There is a growing lack of affordable housing in all parts of our district. From Bridgeport to Joliet, people are being priced out of their homes—whether that is through rising rents or a mounting property tax bill. As depicted in the figure above, individuals need to earn over $20.00 per hour to afford a two-bedroom apartment in our state.

While most of housing affordability policy can start with city, county, and state elected officials, we have to bring everyone together to find solutions to rising rents and stagnant wages.

Ensuring we have thriving communities across all parts of IL03 is an important issue to all of us. Instead of spending billions of dollars on pet projects, we should reappropriate those federal funds to encourage affordable housing.

This is not simply an economic justice issue, but also a health issue—especially for older people. When living on a fixed income, any additional cost can place an undue burden on someone’s life. Recent housing studies identify concerns that nationwide, older Americans are paying more than 30% of the standard cost of housing. In the Chicago-Naperville-Elgin area (which covers all of IL03), 42% of households with individuals ages 65 and older have a cost burden when paying for housing.

Any time financial costs rise, there is a statistically significant link to poor health outcomes including exposure to poor nutrition, diseases and toxic chemicals, higher prevalence of chronic conditions, and depressive symptoms.

I propose expanding federal funding for affordable housing and encouraging grant programs to community organizations and nonprofits that are leading on this issue. For all ages, we need affordable housing in all neighborhoods. We should not be restricting where people can live—they should have the freedom to live where they choose.

Passing Medicare for All

The cost of health care is increasingly growing as insurance companies retain their power and greed.

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The cost of prescription drugs is astronomical. For individuals that depend on prescription drugs to survive, companies charging unjustifiable, excessive prices are acting immorally. These financial costs of prescriptions can leave people strapped financially every month. Companies do not have to raise the cost of these drugs to fund research—they are purely doing so out of corporate greed and preying on people that depend on these drugs to live.

I support legislation to regulate and reduce the price of prescription drugs, and encourage generic forms of drugs to be made. Research must still be funded, but that is a cost insurance companies should accept—not delegate to individuals that need prescriptions.

Yet, the best way to address the rising costs of health care would be to enact Medicare for All. Adopting Medicare for All will greatly reduce the cost of health care not only for individuals, but also for business owners. By removing the cost of health insurance, small business owners in IL03 will have a higher profit margin, and their own wages will rise as well.

Enacting this legislation removes costs like doctor visits, ambulance trips, blood tests, and completely covers vision, dental, and prescription drugs as well. These costs are paid for by ensuring everyone in the country pays their taxes, raising taxes on the ultra-billionaires, and appropriating federal funds to ensure the process is administered smoothly.

As a management consultant, I always pay attention to the implementation of policies and adhere to timelines. There are many versions of Medicare for All, but the crucial element I support is the ability to phase the plan into effect. Medicare for All is a significant policy change, and it will require phases to implement, course-correct, implement another phase, and so on.

There are a number of reasons Medicare for All is more effective than the current health care system. Here are some of them, quoted from “The Case for Medicare for All.11”

1. **100% coverage.** Medicare for All ensures everyone. Under this plan, no one can be denied coverage and reliable health care is guaranteed as a human right.
2. **Quality of health care rises.** Insurance premiums are eliminated, removing “underinsurance.”
3. **Everyone has the same insurance, eliminating confusion.** By sharing experience with others, quality is forced to improve by collaboration and proximity to one another. The current patchwork system of employer-covered insurance, public programs like Medicaid and Medicare, and other private plans are subject to many restrictions, guidelines, and confusing policies.
4. **Removing fear from the discussion on health care from employer contracts.** Unions, businesses, and all workers will be relieved once hiring discussions return to wages, work conditions, and other work-related concerns.
5. **Unlinking health care and employment.** No longer will health care coverage depend on retaining a job, particularly one with “good” health care coverage. This will empower

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individuals to pursue jobs they enjoy and seek opportunities for personal growth while still receiving health care coverage.

6. **Enhancing administrative efficiency.** The automation of medical billing and payment has wasted nearly $400 billion per year (about $1,400 per person per year). By adopting a single Medicare for All system, this wasteful cost would transition to funding for actual care.

7. **Controlling health care costs.** Under Medicare for All, the cost of prescription drugs drops by 30%, and growth in spending is controlled over time.

8. **Enhancing quality within the system.** There would be uniform data across the entire country, rather than one insurance provider coding something one way and another provider doing it differently. This also will be reflected in choices for care and clinical outcomes.

9. **Reducing waste and fraud.** The U.S. Institute of Medicine reports nearly 20% of health care today is “unnecessary, not indicated, or just plain fraudulent.” Medicare for All not only reduces duplicity in the billing system, but it will reduce all-around cost by addressing waste and fraud.

10. **Empowering patients.** Individuals can choose doctors they like; they are not bound by choosing doctors in-network.

11. **Empowering doctors and other providers.** Medicare for All will prioritize clinical issues, instead of documentation for insurance purposes and discovering what is and is not covered.

12. **Encourages comfortable patient-doctor relationships.** By allowing individuals to choose their health care providers, patients will no longer face restrictions on where they can go for care, thus fostering deeper trust with health care providers.

13. **Ending attempts to protect the current broken system.** Adopting and implementing Medicare for All requires massive systemic change. But, Republicans are frequently attempting to undermine Medicaid, Medicare, and eliminate public health programs. Medicare for All ensures everyone is guaranteed coverage.

*How do we pay for it?*

Representative Pramila Jayapal (D-WA) explains her version of the bill in a detailed way, and you can watch her do so [at this link](#). Under the current system, $1.3 trillion of all costs are paid by individuals and employers. Individuals like us are paying on average $18,000 per year on health care--$30,000 if you are a family of four. With Medicare for All, those extra health care costs disappear, and that’s more money you can spend on other things.

We currently spend $3.9 trillion on health care costs per year, and that number is expected to increase to $5.5 trillion. Under estimates from even a conservative think tank, the highest cost for Medicare for All per year would be $3.2 trillion (using Jayapal’s version of Medicare for All). Simply from an economic analysis, a Medicare for All system saves us all money in the long-run.
Another option: “Medicare for America”

Representatives Rosa DeLauro (D-CT) and Jan Schakowsky (D-IL) similarly introduced the Medicare for America Act of 2019, H.R.2452, which would expand universal coverage for all through a combination of private and public insurance options. Over time, it would enroll all newborns into a government health care plan--much like Social Security--and this would reduce the reliance on private, employer-sponsored insurance over time\textsuperscript{12}.

For the DeLauro-Schakowsky plan, Medicare for America will be financed by premiums paid by individuals and by an 8% payroll tax to large employers that do not provide qualified health care coverage. There will also be an increase in revenue by repealing the Republican Tax Cut Act of 2017, increasing taxes on ultra-billionaires, and adjusting other taxes so the wealthy pay their fair share\textsuperscript{13}.

Protecting Social Security

Currently, 63 million seniors depend on Social Security. Although the country has gotten wealthier and more people rely on Social Security than ever before, there have not been any changes--no new protections or increases in benefits--for over 50 years. As written in Forbes, “Expanding Social Security is a solution to our looming retirement income crisis where most workers will be unable to retire without drastic reductions in their standards of living. Expanding Social Security is also a solution to our perilous and growing income and wealth inequality, and the financial squeeze on families”\textsuperscript{14} (Altman, 2019).

There is current legislation that will protect Social Security for decades to come. I support H.R.860, the Social Security 2100 Act, which would do the following (as described by Altman):

1. **Guarantee Social Security benefits for all.** Increase benefits for those receiving Social Security today and others that will receive it in the future.
2. **Extend benefits to low-wage workers.** Increase the minimum Social Security benefit earned by low-wage workers, which has been decimated since its enactment in 1972. This also allows for a more accurate cost of living adjustment every year.

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3. **Protect Social Security for the remainder of the 21st century.** This will be achieved by raising the Social Security contribution (FICA) on everyone’s paycheck by 0.05% (ultimately to 7.4%; it is currently at 6.2%)—an average of 50 cents per week for the average worker. This small amount secures funds through 2100 and beyond, and is more cost-effective than addressing funding for Social Security by doing a patchwork of temporary fixes.

4. **Include a tax cut for middle-income seniors and Social Security beneficiaries who are required to pay federal income tax on their benefits.** This is balanced by having ultra-billionaires pay their fair share of taxes and the small increases mentioned in point #3.

We must do all we can to prevent privatization of Social Security. Much like insurance companies today, privatizing Social Security will allow for more exemptions and seniors’ already-fixed incomes to stagnate and income inequality to grow. We can’t risk placing Social Security in the hands of private investors; doing so jeopardizes seniors’ life earnings.

There are a multitude of reasons to oppose privatization. *The Century Foundation* includes these points in a statistical analysis of a privatization plan:

1. **Coverage of workers and their families would be threatened.** Privatizing Social Security would shift funding from the current program to investment accounts, limiting protections for all people, but especially those on disability.
2. **Dampen economic growth and increase the national debt.** The debt burden on individuals in 2036 (32 years after the George W. Bush plan for privatization was proposed) would have been $32,000 due to Social Security privatization. This figure is high because all interest rates would likely increase (mortgages, car loans, student loans, credit cards, etc.), and people would be spending less money in the economy.
3. **The financing of Social Security would suffer.** Allocating 2-4% of payroll to create private accounts would shorten the time until current benefit levels could be sustained, requiring frequent raising of taxes.
4. **Relies heavily on market patterns and gives Wall Street more power.** Investment companies and big businesses on Wall Street stand to gain financially from privatization because they will gain a new revenue source from fees associated with a privatized Social Security’s investment accounts.
5. **Younger generations will receive less return on their investment.** Under a new system financed through federal borrowing, younger generations will receive less return. Particularly for individuals born since the 1960s and 1970s, the rate of return under a privatized Social Security would be 20% lower than the current system, according to historical rates of return over a 50-year period.

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Privatization will not protect Social Security for the next generation and beyond, but passing the Social Security 2100 Act will.

**Mandating Paid Leave**

We know that everyone is working hard across the Third District, and it’s long overdue we finally adopt paid family leave. We need the federal government to step in and mandate this policy nationwide.

Currently, we are the only developed country that does not provide all forms of paid leave (family leave, vacation days, or parental leave—all three) to our people. Employers are required to provide 12 weeks of maternity leave under the Family and Medical Leave Act of 1993 (FMLA), but that is not paid, and FMLA only applies to organizations with more than 50 employees. While 89% of all workers have access to unpaid family leave, only 17% of all workers have access to paid leave.

Paid leave produces better health outcomes, and this makes an even larger difference for low-income individuals. Because of the current patchwork of jobs, many people cannot afford to take time off work to provide care to others or seek care for themselves. Some states have adopted paid leave policies already, such as California, New Jersey, and Rhode Island, and all have seen improved health outcomes. The best outcomes are for children. Since California implemented its paid family leave policy, upper respiratory, gastrointestinal, and general hospital admissions among infants decreased by 3-6% on average. While California’s paid family leave program is only for six weeks, it is still better than having unpaid leave.

Paid leave programs will not only improve health, but it will reduce dependence on supplemental government assistance like SNAP and other assistance. In fact, “California’s paid leave program reduces mothers’ risk of poverty following a birth,” and it “increases the likelihood of returning to work following paid leave” (Isaacs, et al., 2017, p. 5).

I am supportive of the FAMILY Act, **H.R.1185**, which would mandate 12 weeks of paid family leave each year (or 60 workdays). The FAMILY Act will cover parental care, caring for a loved one with a serious medical condition, or addressing your own health conditions. Not all 12 weeks are required to be taken at once, and paid family leave benefits will amount to 66% of an

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individual’s monthly wages, averaged by the highest annual earnings from the last three years. There will be no exemptions for businesses with fewer than 50 employees--all people will be covered by this paid family leave program\textsuperscript{20}.

By passing paid family leave, we can finally prioritize the health of our families and not have to fear an illness jeopardizing our career, whether it be our own or a loved one’s.

**Universal Child Care**

As mentioned in our universal child care paper, the rising cost of child care continues to place a burden on families. We have a plan to reduce costs, increase the accessibility of child care, and make it easier for families to spend time together.

**New Methods of Funding**

We must create a universal child care system for children 0-5 and afterschool programs with sliding scale and affordable pricing. Across the country, there are plenty of buildings sitting vacant or with extra space. This system can use existing spaces like elementary schools and community centers in IL03 and across the country.

Part of this ambitious plan will be funded by Wall Street transactions and requiring ultra-millionaires to pay their fair share in taxes. By eliminating loopholes and pushing for equity, we truly can develop a comprehensive system that will benefit our children and our finances.

By increasing funding to this program through appropriations, all low- and moderate-income families (those with incomes below 200% of the poverty line, or approximately $40,000 for a family of three) with children age three and under have access to a subsidy to pay for quality child care so they can work or attend school or job training.

**Restructuring Tax Credits**

We have to streamline child care tax benefits and increase the possible tax credit for middle class families, increasing it even more for those with young children and those who face the highest costs. By restructuring the CDCTC, raising thresholds on tax credit limits, and increasing awareness among low- and middle-income families, the children of our country will benefit.

Parents of children with special needs face the highest costs of child care. Our lawmakers have failed them for far too long. We have to give these parents the assistance they need. This can be achieved by expanding tax credits for parents with special needs children and fully funding the Department of Education to expand programs and analyze their effectiveness over time.

Additionally, the CDCTC is supplemented by child care FSAs (flexible spending accounts), which can be complicated and duplicative. We have to eliminate these FSAs, and instead actually make preschool, before- and after-school programs, and daycare affordable. We shouldn’t force people to apply for federal subsidies in order to afford basic needs—they should just be affordable on a regular basis.

Looking to Other States

We should look at states with successful child care programs for universal pre-kindergarten, for example, to ensure 3- and 4-year olds have a healthy, safe, and educational environment.

By comparison, Connecticut ranks 24th out of 50 states in child care affordability, but 2nd in quality, and 2nd in availability\(^21\). We can achieve the ranks of Connecticut by unifying all levels of government on a comprehensive solution. After involving federal, state, and local governments and coalescing around a solution, we can adopt programs and initiatives to decrease the price of child care and increase accessibility.

We must pay our child care workers a living wage. We are trusting these professionals with what we value most--our children--and we have to compensate them appropriately. Yet, the child care facilities need not continue to raise the price of child care to adjust for fair wages. Instead, we must push for income-based government subsidies to cover the cost, raise the minimum wage and pair workers fairly, and pass legislation for universal pre-K.

Universal Pre-K

Multiple studies have outlined the importance of attending preschool. Preschool can lead to economic and social benefits, including “lower special education placement rates, reduced grade repetition, decreased welfare dependency, and fewer costs for the criminal justice system”\(^22\) (McWalters, 2019, p. 22). In order to truly give the best opportunities to our children, we have a duty to pass universal pre-K at the federal level.

With deep cuts to the Department of Education from the current administration, not only do we have to reinvest federal dollars into education, but we must work with states to expand access to pre-K\(^23\). These cuts have continued for the 2020 fiscal year\(^24\).


The federal government must push for universal pre-K, and we can do so in a few steps. By doing so, this will greatly improve the lives and ability to succeed for low-income individuals. Increasing the accessibility of universal pre-K will allow children in all parts of the country to thrive. We can get even more money to states by pushing for a cost-sharing initiative. We can achieve a federal universal pre-K program by advancing a competitive grant program that allows states to receive funding for these incentives. The competitive grant program is a more measured approach than a blanket federal-state partnership model, and will increase the strength of programs because it allows states to adopt models based on their states’ standards.

In order to pass universal pre-K at the federal level, I plan to include stakeholders from education, both private and faith-based child care programs, school boards, researchers, and others that are invested in the success of our children. Once we include all the voices that have a stake in this policy, we can craft the best options for our communities.

Universal pre-K has comprehensive grassroots support across the country, and some states are already at work. Illinois Governor J.B. Pritzker proposed an additional $100 million to fund early childhood education, which can become a reality in our state by 2023. It’s time to get the federal government on board, and ensure 3- and 4-year olds have a healthy, safe, and educational environment.

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Questions or comments about this policy? Please send us your ideas at info@marienewmanforcongress.com.

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