



**TALKING POINTS FOR
POWER POINT PRESENTATION**

“An Economy That Works For All”

August 2007

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“An Economy That Works For All”

[August 2007]

[Slide #1] *“An Economy That Works For All”*

- Today, we face the most serious economic challenge of our generation – stagnant wages and declining living standards for the majority of workers in our country. But we also have a rare opportunity to do something about it by building a movement to change our country’s economic policies and build an economy that works for all of us.
- The purpose of this presentation is to provide a framework to discuss the economic policies that have dominated our economy over the last thirty years, to show that these policies are not accidental, and as such can be changed, and to propose an alternative, a working families agenda to change the direction of our country.

[Slide #2] Our starting point is a question: *“Why is it so hard for so many workers to make a decent living in the richest country in history?”*

[Slide #3] *“Workers in America:”*

- We know that workers in America:
 - **are the most productive in the world**
 - **work longer hours than in any other developed country, and**
 - **live in a country with over \$13 trillion a year in income.**

[Slide #4] *“The Problem”*

- The problem is that the economy is simply not delivering for workers. Workers today are suffering a generation long period of:
 - **Stagnant wages and family incomes**
 - **Increasing income insecurity, that is being compounded by**
 - **Eroding health care benefits and**
 - **Disappearing pensions**
- This has left workers struggling to make ends meet. Families are maintaining their living standards only by working more jobs and more hours and by sending more family members to work. However, it doesn’t have to be this way.

[Slide #5] “The Opportunity”

- Today, we have a real opportunity to turn things around for working families by changing the rules that shape the economy. For example,
 - The **working family issues** that concern us the most – stagnant wages, growing inequality and insecurity, and the erosion of benefits **top the national agenda**.
 - The 2006 election victory put **new populist voices in Congress**. The first minimum wage increase in nine years passed the House during the first 100 hours, was signed into law, and finally enacted. The Employee Free Choice Act passed the House and although it did not pass the Senate, we have gained new momentum in our effort to restore the right to organize and bargain collectively.
 - Looking forward to **labor’s political program for 2008 and beyond**, we have an opportunity to build a powerful workers’ movement to elect a president who is committed to changing the policies of our country by advancing a working families economic agenda.
- We must first begin our work by understanding the forces that are undermining the living standards of workers in this country and the policies that we need for a strong economy. Pundits and policy makers have been telling us that wage stagnation is caused by technological change and that workers simply need more education.
- We know better. The real cause of wage stagnation is a massive shift in bargaining power away from workers towards employers that has occurred over the past 30 years. The increased power of employers has allowed them to outsource work, deny wage increases and walk away from their obligations to provide health care and retirement security to their employees.
- We know, as a labor movement, that we must become stronger if we are to balance the power of employers and allow workers to share in the prosperity their work helps create. To become stronger, we must organize millions of new members into unions and bargain aggressively to defend and improve our members’ living standards. We also know that we must elect worker-friendly politicians to restore the right to organize.
- At the same time, although less well understood, we must engage in the “war of ideas” and directly challenge “The Corporate Agenda” – the economic policies that inhibit union growth and weaken our bargaining power.

[Slide #6] “Growing Together, Growing Apart”

- To put today’s economy into perspective, we should remember that our economy did not always work the way it does now. When the middle class was built in the years after the Second World War, the economy generally worked for all of us. During this period, real family incomes doubled – the most rapid improvement in living standards in history. Incomes for the poorest families increased even faster than those of the richest families, so incomes became more equally distributed. This was a period of great social movements and struggles for justice – women’s rights, civil rights, and disability rights to name a few. Unions also grew during this period and the power of workers created a more just society.
- **[Click]** However, since 1973, the pattern has been very different. First, the growth of family incomes has been much slower than in the earlier period, and second, the incomes of the richest 20 percent of families have risen much faster than those of the other 80 percent. After 1973, we saw the end of the Vietnam War, the decline in manufacturing and industry, and rapid technological change and the expansion of globalization. As the percentage of workers in unions declined during this period, workers lost power and the ability to protect their living standards.
- **[Click]** Consider also, that between 1979 and 2001 the incomes of the top 0.1 percent – families earning \$1.7 million a year – increased 181 percent.
- **[Click]** And the top .01 percent – those earning \$6 million a year – grew nearly 500 percent.
- Over half of all economic growth since 1979 has gone to the richest 10 percent of America’s families, most of it to the top one percent. Whereas we used to grow together as a nation, today we are growing apart – economically, socially and politically.

[Slide #7] “We Make It – They Take It: Productivity vs. Wage Growth”

- The key to understanding the stagnation of family incomes and wages is the rupture of the crucial relationship between productivity and wage growth.
- **[Click]** Looking again at the period from 1947 to 1973 we can see that productivity doubled and so did the real value of average wages.
- **[Click]** However, since 1973, although productivity has continued to grow, wages have stagnated. As a result, average wages today are only 15 percent higher than average wages in 1980, despite a 67 percent increase in productivity.

- The productivity-wage relationship was the foundation of a social contract negotiated between labor and employers after World War II – on the basis of a rough balance of power – that assured that workers would share in the benefits of economic growth. Today, the imbalance of power has ruptured that relationship and the social contract with America’s workers is being shredded.
- Working families are not only struggling to make ends meet on stagnant earnings, they are, most of all, concerned about the future of their children. They are anxious about their ability to retire and terrified of what a serious accident or sickness might mean for their family’s economic security. And, they are increasingly angry about the sheer injustice of our country’s growing inequality.

[SLIDE #8] “Rising Economic Insecurity”

- Further aggravating the stagnation of wages and family incomes are the problems of rising economic insecurity and the anxiety that so many working families suffer.
- The threat of sudden job loss has increased the likelihood that a family will experience a 50 percent or greater drop in income. The chance of that happening has more than doubled.
- Even worse, employers are shifting more and more of the cost of health care onto working families. With rising health care costs and stagnant incomes more and more families cannot afford insurance. As a result, today nearly 45 million Americans have no health care insurance.
- As a nation, we must reform our health care system to provide comprehensive affordable quality care for all. We must assure choice of providers and effectively control rising health care costs. And we must finance health care equitably.
- Employers are also walking away from their responsibilities to support retirement security for their employees. Only 40 of employers provide any support at all, and only 20 percent offer genuine defined benefit pension plans, down from 40 percent in 1980.
- The question is: If increasing productivity did not go to working families, where did it go?

[Slide #9] “The Wealthiest Families Prosper as Never Before”

- The answer: To America’s wealthiest families.

- Since 1979, only the top ten percent of families have seen their incomes rise at, or above, the rate of productivity. Over half of all of the increased income went to the same ten percent, most of it to the top one percent.
- As a result, the wealthiest families have seen their share of total income double since 1979, from 10 percent to more than 20 percent. Today, the wealthiest families claim a larger share of our nation's income than at any time since 1928!

[Slide #10] “Workers’ Wages and Executive Pay”

- So, who are America's wealthiest families? CEOs and other corporate insiders have appropriated much of the increase in productivity and that also shows up in increasing profits and returns to shareholders. Whereas the ratio of CEO pay to the pay of average workers was 42:1 in 1980, today it is 411:1. The average CEO earns more on the first day of the year than the average worker earns all year.

[Slide #11] “The Economy is NOT Like the Weather”

- **It doesn't have to be this way!** The economic problems facing workers and their families are not purely accidental nor are they the result of some failure on the part of workers to take the initiative to get ahead on their own. Our declining economic conditions are the direct result of the acceptance and implementation of a specific set of unrestricted free market economic policies, which have dominated our country for decades to the benefit of corporations, corporate executives and the wealthy.

[Slide #12] “This Is a Story of POWER!”

- This is a story of POWER, and what has happened to the bargaining power of workers and their unions.
 - **Working families and our unions helped build a powerful American middle class.**
 - **Corporations are taking power away from workers—we're losing bargaining power in the workplace and the nation.**
 - **Working families and unions can rebuild workers' power and restore the American Dream.**

[Slide #13] “Boxing Workers Into The Corporate Agenda”

- Over the past three decades, corporations – together with their political allies and free market fundamentalists – have put pursued a Corporate Agenda, which have put workers in what we describe as “a policy box.” The policies in this box have destroyed good jobs and radically shifted bargaining power away from workers and their unions towards employers.
- Employers have been using their increased bargaining power to keep the growth in productivity to themselves, and as stated earlier, to shift health care costs and taxes onto working families and to walk away from their responsibilities for retirement security.

[Slide #14] “Boxing Workers Into The Corporate Agenda”

- The policies that make up the different sides of the box sound positive to many, but if we look deeper at what these policies really mean, we see a darker reality for working families.
- **[Click]** First, on one side of the box you will see corporate **“Globalization”** that puts American manufacturing workers in direct competition with some of the most impoverished and oppressed workers in the world. Manufacturing workers understand this as a threat to their jobs, and they are right. The U.S. has lost 3.4 million manufacturing jobs since 1998. Less evident, but just as important, the threat to relocate production abroad shifts power away from workers towards employers, power that employers use to lower wages and standards in the U.S. and in other countries.

We are running an \$800 billion a year trade deficit and must borrow over \$2 billion a day to pay for the things we consume but do not produce. The policies on this side of the box generally have resulted in expanded:

‘Free Trade’ – often leads to unfair trade deals with limited or no protections for workers.

Off shoring - where companies re-locate production abroad. Tens of millions of our jobs are now vulnerable to this practice.

And forced migration - where workers around the world are forced to leave their homes in search of jobs and a better life. The Corporate Agenda has us engaged in a race to the bottom by putting the pursuit of profits before protecting people.

- **[Click]** The opposite side of the box is **“Small Government”** – these are policies that privatize and deregulate public services and provide tax cuts for corporations and the wealthy, all in the interest of “getting government off our backs.”

Privatization is just as serious a threat to public sector workers as globalization is to manufacturing workers.

Deregulation is depriving people of needed services in the interest of supposedly “increasing competition to benefit consumers.”

And Tax Cuts for the Wealthy have deprived working people access to what they really need – good jobs, good schools, a strong Social Security system and affordable, quality health care.

- [Click] The bottom of the box, “**Economic Stability,**” promotes macro-economic policies that focus on price stability and balanced budgets thus affecting the power of all workers by slowing growth and creating slack labor markets.
- [Click] Finally, the top of the box, “**Labor Market Flexibility,**” weakens the bargaining power of workers by lowering the floor under wages, allowing employers to bust unions and to remove the social protections that workers need that allows them confidence in bargaining with employers. This side of the box also emphasizes You’re on Your Own, *also referred to as YOYO*.
- The shift in power from workers to employers is a feature, in different ways, of each side of the box. And, taken together these policies systematically empower corporate insiders to enrich themselves by attacking the wages and working conditions of all workers.
- The labor movement must challenge all these policies – each side of the box – if we are to grow, become stronger and defend the living standards of working families. And, if we are to be successful, we must respond together, as a united labor movement, to the challenges posed by these economic policies.
- “The Box” provides the framework in which we can understand the policies that are inhibiting our ability to grow and shifting power to employers. It helps integrate the various economic issues that we deal with – restrictive monetary policy, privatization of Social Security, workers’ right to organize and bargain collectively – and shows how each bears on the balance of power between workers and employers. This framework also helps provide continuity to all of our policy fights.
- We won a tremendous victory in 2006 by helping the Democrats take back the House and the Senate, and between now and 2008, we will be doing everything we can to nominate and elect a Democrat as President who will be a true champion for working people. However, challenging the Corporate Agenda requires more than throwing out Republicans and electing Democrats. Important players in both parties champion the Corporate Agenda so it will do us little good if, when the next Democrat moves into the White House, Wall Street takes command of our country’s economic policy.

**[Slide #15] “Dismantle the Corporate Agenda”
“Build a Working Families Agenda”**

- **(Click)** We must dismantle the Corporate Agenda and Build a Working Families Agenda.
- We must directly challenge the policies of the Corporate Agenda so that we can re-establish the balance of power between workers and their employers, rebuild the relationship between wage growth and productivity, and restore the American Dream. By doing so, we can change the direction of our country’s economic policies to ensure that the economy meets the urgent needs of the majority of the people.
- We must also reconnect with several important working family values that resonate powerfully with all of us. Those values include:

[Slide #16] “Working Family Values”

- o **(Click)** Anyone who wants to work should **have a job**.
- o **(Click)** Workers are proud of their work should **have the chance to do it right**.
- o **(Click)** All workers and our families should be able to **live in dignity with health care and retirement security**.
- o **(Click)** Every worker should enjoy the **freedom to form a union and bargain collectively**.
- o **(Click)** Workers want to contribute to, and share in, building a **world-class economy**.

[Slide #17] “The Working Families Agenda”

- The economy should exist to serve the needs of the people, the vast majority of whom earn their living by working, not the other way around. And, the goal of economic policy is to support a strong and internationally competitive American economy whose benefits are broadly shared. Our Working Families Agenda proposes alternative policies to the Corporate Agenda – policies that serve the interests of and values of America’s working families.
- **(Click)** Instead of “Globalization”, we need to build **“A World Class Economy”** – that promotes Fair Trade, Rebuilds Manufacturing, and advocates Justice for Migrants. We must negotiate fair trade agreements that protect the rights of

workers in all countries to organize and bargain collectively. We must rebuild our industrial base and restore American competitiveness in the global economy. And, we must protect the rights of migrant workers and support real economic development in their countries.

- **(Click)** Instead of “Small Government”, we need **“Good Government”** – Quality Services, Public Investment, and Fair Taxes. We must invest in our public services and return balance to our tax system.
- **(Click)** Instead of “Economic Stability” that promotes slow growth, we need **“Full Employment”** – Rapid Growth and Good Jobs for All.
- **(Click)** And, instead of “Labor Market Flexibility”, we need protection for fundamental **“Workers’ Rights”** – A Living Wage, Freedom to Form Unions and Social Protections.
- The Working Families Agenda is the basis for our economic policy work with elected leaders, policy makers and the public at large. The Agenda also provides the core content for an expanded program to educate and mobilize our leaders, activists and members so that they can more confidently engage in discussions with candidates for political office at all levels of government.

[Slide #18] “Putting the Pieces Together”

- We can achieve the policies of the Working Families Agenda by putting all of the pieces of our work together:
 - **(Click)** **Organize and Bargain Collectively**
 - **(Click)** **Change the Rules and Demand Corporate Accountability**
 - **(Click)** Mobilize for the 2008 elections to **Elect Pro-Worker Candidates** and **Hold Elected Officials Accountable**, and
 - **(Click)** At the center of our work is the need to **Educate** union members and the public at-large about the Working Families Agenda.

[Slide #19] “Win the War of Ideas ... Build Workers’ Power”

- We must win the “war of ideas” and Build Workers’ Power to restore an economy that works for all.

[Slide #20] “What We Can Do Today”

NOTE: THIS SLIDE IS BLANK AND SHOULD BE FILLED IN TO LINK WITH SPECIFIC ACTIONS FOR THE AUDIENCE.

- We want to make the Working Families Agenda central to ALL contract campaigns, organizing drives and political action work.
- We have a big job to do to advance the Working Families Agenda both in the short-term and in the long-term. We must not only change the economic policies of our country, but also the policy makers. We need workers’ voices in the highest levels of key policy-making government agencies at all levels – federal, state and local.

[Slide #21] “An Economy That Works For All”

- A strong union movement can work to reverse the trend of workers laboring longer and harder for less and restore the promise of America for our children and future generations. American labor movement is the most effective organization fighting for economic justice in our country’s workplaces, in the streets and at the polls. Working together we can build a society that rewards hard work, a society that inspires young people to realize their potential and a society that values equality and economic justice. We can, and will, use our voices to change the policies of our country, build the strength of our unions and restore the American Dream.