

# 5 the issues

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You are sure of your principles, and you know where you stand. But how do you communicate it powerfully and succinctly? What counterattacks should you expect? How do you frame the debate and set up a favorable contrast between yourself and your opponent?

The following sections offer critical ammunition for the inevitable fight ahead. They help you define and sharpen your focus on the problems your voters face, the reasons why Republicans have failed, and the solutions you can offer to make real change happen.

It presents story ideas, to help your staff seek out real-world examples from voters in your district that can powerfully illustrate what's at stake. It gives "hot facts" to back up your arguments on the campaign trail. And it details the latest poll data, so you can feel the pulse of the public, and be confident that your messages will have resonance.

You can run a principled campaign and win, if you're prepared. Here's what you need on the key issues.

Be sure to check for updates on each of these areas at [ourfuture.org/econtalk](http://ourfuture.org/econtalk)

# Quality Education

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## ***The Problem***

America's public education system has long been the cornerstone of its vibrant economy and thriving democracy, investing in the next generation and providing opportunity to all. Now, instead of lifting our kids up, our education system is holding too many of them back.

We're not making the investments needed to provide every child with the basics of modern education: early education, so every child starts school prepared to achieve; small classes; skilled teachers; after-school programs; modern facilities and affordable college. Instead, we're putting inordinate emphasis on standardized tests and stifling creative teaching, while failing to provide the resources needed for reform of schools that need help.

Public education still suffers from a savage inequality. Remarkable schools exist in affluent suburbs, but we fail to make even basic investments in poorer communities. Many schools are crumbling, overcrowded and forced to rely on trailers for classrooms. Some 25,000 schools require substantial repairs and renovation, according to a government study.<sup>1</sup> Too many children are forced to learn under deplorable physical conditions that literally make them sick. The demand for teachers is rising, as half leave the woefully underpaid profession within five years.

In the global economy, a college education or advanced technical training is vital to sustaining the world's best-educated workforce, opening the doors of imagination and helping form active citizens. But college is being priced out of reach for an increasing number of families, and students are forced to take on ever greater debt burdens.

## ***The Reason***

President Bush turned "No Child Left Behind" from an inspiring slogan to a broken promise. Schools were left behind as Bush broke his promises to provide the resources needed for reform. Subjects were left behind as principals set aside social studies, science, art, music and phys ed to chase the law's math and reading requirements. Good teaching was left behind as teachers were forced to narrowly teach "to the test" instead of teaching the critical thinking needed to succeed in today's economy.

When grading No Child Left Behind, many teachers would give it a D or an F.<sup>2</sup> The law has been implemented in a rigid manner with far too much emphasis on standardized testing. This has narrowed down the curriculum and diminished educational opportunities for poor students and those with learning differences. As a teacher in Florida put it: "I have seen students drop out of school, cry, cut themselves, become physically ill and more, just

because of the pressure we are putting on them to excel on the tests that accompany NCLB.... [W]e are pushing the creativity out of the classroom and creating little robots.”

Bush left college students behind as well, but not the college loan companies profiting from student debt. He killed a proposal to crack down on student loan companies, despite allegations of financial favors to colleges for steering clients their way.<sup>3</sup> He joined with Republicans in Congress to cut \$12 billion in federal student loans, helping push even more business to private firms. And he broke his campaign promise to raise the level of Pell Grants *and* keep pace with runaway tuition costs.

## **The Solution**

In 2007, the new Democratic majority in Congress began to reverse the damage by passing the largest increase in college student aid since the GI Bill. But that was just a first step. Much more is still needed to make college accessible to all, and to cut loose the anvil of debt weighing down new graduates. We need tuition tax credits to help parents bear the cost of college. We need to offer students grants and scholarships in exchange for national service. We need to use federal challenges to require states to sustain their own contribution to high quality affordable public schools.

For primary education, we must go another way. The failed No Child Left Behind approach should be scrapped, and replaced with an approach that actually lifts our schools up and provides support for strapped states, including:

- ◆ Modernizing schools and insuring state of the art technology
- ◆ Helping, not abandoning, struggling schools
- ◆ Ending inequalities holding back urban and rural schools
- ◆ Expanding early childhood education so kids don't fall behind before they get started
- ◆ Recruiting, training and retaining first-rate teachers with higher pay and incentives to work in schools with at-risk children
- ◆ Providing the resources necessary for teachers to excel in their professions, and for paraprofessionals to obtain greater opportunities for career mobility

We must commit ourselves to providing America's children with the best education the world offers to enable them to reach to their full potential, and to enable our economy to thrive in an increasingly competitive world.

## Telling the Story

### ◆ Stories to Look for

- ◆ Debt-ridden college graduates unable to pursue careers of choice and achieve financial security, or forced to live at home in their first jobs
- ◆ Decrepit schools with dated books and science equipment
- ◆ Teachers buying supplies out of their own pockets

### Spotlight Story

Kristin Cole, 30, who graduated from Michigan State University's law school and lives in Grand Rapids, Mich., owes \$150,000 in private and government-backed student loans. Her monthly payment of \$660, which consumes a quarter of her take-home pay, is scheduled to jump to \$800 in a year or so, confronting her with stark financial choices.

"I could never buy a house. I can't travel; I can't do anything," she said. "I feel like a prisoner."

A legal aid worker, Cole said she may need to get a job at a law firm, "doing something that I'm not real dedicated to, just for the sake of being able to live."

Parents are still the primary source of funds for many students, but the dynamics were radically altered in recent years as tuition costs soared...

..."This is literally a new form of indenture ... something that every American parent should be scared of," said Barmak Nassirian, associate executive director of the American Association of Collegiate Registrars and Admissions Officers.

*From the Associated Press, September 30, 2007<sup>4</sup>*

## Hot Facts

- ◆ **Young people either can't afford to go to college, or must take on debilitating debt.**
  - ◆ Under Bush, the cost of public college tuition has risen nearly 40%<sup>5</sup> while wages have been stagnant.<sup>6</sup>
  - ◆ 20 years ago, Pell Grants covered half the cost of attending public college. Today, it's only one-third.<sup>7</sup>
  - ◆ Debt levels for graduating seniors with student loans more than doubled over the past decade – from \$9,250 to \$19,200.<sup>8</sup>
  
- ◆ **No Child Left Behind has failed in its mission to lift up schools.**
  - ◆ After 7 years of No Child Left Behind, only 1 in 3 fourth graders are reading at or above proficiency levels.<sup>9</sup> The policy has left African Americans even further behind: only 1 in 10 black fourth graders are reaching these levels.<sup>10</sup>
  - ◆ Over the past 10 years, the average salary for public schoolteachers increased only 1.3 percent after adjusting for inflation, not enough to keep pace with the soaring costs of housing, health care and gasoline.<sup>11</sup>
  - ◆ Nearly half of all teachers leave the profession during their first five years.<sup>12</sup>
  - ◆ Only 70% of entering freshmen and barely half of students of color finish high school with a regular diploma four years later. Every school day, nearly 7,000 American high school students become dropouts.<sup>13</sup>
  
- ◆ **Public investment in our children strengthens our economy and nourishes our democracy.**
  - ◆ Every dollar invested in early childhood education yields seven times that in savings, with less need for special ed, welfare and criminal justice services.<sup>14</sup>
  
- ◆ **Many schools are hazardous to our children's health. We need a massive effort to convert our crumbling classrooms into high-performing schools.**
  - ◆ The American Society of Civil Engineers gave America's school infrastructure a "D".
  - ◆ The American Lung Association reported that "American children missed more than 12 million school days in 2000 because of asthma exacerbated by poor indoor air quality".<sup>15</sup>
  - ◆ In a 1999 federal study, three-quarters of all schools said they needed funds for repairs and modernization in order to upgrade their condition to "good".<sup>16</sup>

## Public Pulse

### ◆ Americans believe in public schools and support their government being involved.

- ◆ 79% say: “The government – local, state or federal – should be responsible for funding preschool education for all children in the U.S.”<sup>17</sup> (*Harris Interactive, May 2007*)
- ◆ 72% support reform of the public school system, versus only 26% who want an alternative to public schools.<sup>18</sup> (*Gallup, September 2007*)
- ◆ Only 31% support “contract[ing] with private profit-making corporations” to run their public schools.<sup>19</sup> (*Gallup, September 2007*)
- ◆ Only 39% support letting families “choose a private school to attend at public expense,” down from a high of 46% in 2002.<sup>20</sup> (*Gallup, September 2007*)
- ◆ The public is split on allowing families to choose a public, private or religious school with “the government [paying] part of the tuition.” 51% support, including 61% of public school parents.<sup>21</sup> (*Gallup, September 2007*)

### ◆ Negative views of No Child Left Behind are growing rapidly.

- ◆ A plurality (40%) had an unfavorable view of No Child Left Behind in 2007, up from 13% in 2003.<sup>22</sup> (*Gallup, September 2007*)
- ◆ 52% of public school parents said in 2007 there is too much emphasis on testing, up from 32% in 2002. (Only 43% of all adults agree there is too much emphasis, up from 31%.)<sup>23</sup> (*Gallup, September 2007*)
- ◆ Only one-third of public school parents say NCLB is helping their schools, with the rest saying it is hurting or making no difference.<sup>24</sup> (*Gallup, September 2007*)
- ◆ Only one-third of public school parents say the “increase in testing” is helping their schools, with the rest saying it is hurting or making no difference.<sup>25</sup> (*Gallup, September 2007*)

### ◆ Investing in smaller classes and better teachers attracts wide support.

- ◆ 95% believe smaller class sizes would be effective in attracting and retaining teachers, and 87% believe higher salaries for beginning teachers would accomplish the same.<sup>26</sup> (*Gallup, September 2007*)

## Message Box

| Us on Us  | Them on Us   |
|---|--|
| <p>We must invest in our public schools and teachers to provide our children with the best education in the world.</p> <p>We need good teachers, empowered to teach the critical thinking kids need to succeed in today's economy, with rigorous monitoring of children's progress.</p> <p>We need to insure college or advanced training is within reach of everyone who earns it, without forcing students into a debilitating debt that holds them back.</p>                                   | <p>They want to waste more money on a failed system.</p> <p>This is an agenda for the teachers' unions, not for America's children. Teachers don't like to be graded, so they want to gut No Child Left Behind just when it is working.</p>  |
| Us on Them  | Them on Them   |
| <p>They would put billions of scarce public dollars into private school vouchers – while opposing the investments we need for our public schools.</p> <p>Bush broke his promise to fund his reforms, Republicans voted to cut money from the student loan program, while protecting subsidies to private loan companies that contribute to their campaigns.</p> <p>No Child Left Behind is leaving kids and schools behind, stifling imagination while forcing teachers to teach to the test.</p> | <p>We need to give parents vouchers, let them decide where to education their children, and let schools compete for their students.</p> <p>We need competition in student loans, not a wasteful government bureaucracy running the show.</p> <p>No Child Left Behind is working, holding underperforming schools accountable. And performance is up.</p> |

## Additional Resources

American Federation of Teachers (AFT) “Hot Topics”  
<http://www.aft.org/topics/index.htm>

Campaign for America’s Future: Quality Education  
<http://ourfuture.org/education>

National Education Association: No Child Left Behind/ESEA – Research and Reports  
<http://www.nea.org/esea/research-esea.html>

Campaign for College Affordability  
<http://collegeaffordabilitynow.org/>

The Project on Student Debt: Quick Facts  
[http://projectonstudentdebt.org/Debt\\_Facts\\_and\\_Sources.pdf](http://projectonstudentdebt.org/Debt_Facts_and_Sources.pdf)

The College Board: Trends in Student Aid  
[http://www.collegeboard.com/prod\\_downloads/about/news\\_info/trends/trends\\_aid\\_07.pdf](http://www.collegeboard.com/prod_downloads/about/news_info/trends/trends_aid_07.pdf)

USPIRG: Cutting Interest Rates, Lowering Student Debt  
<http://www.uspirg.org/home/reports/report-archives/affordable-higher-education/affordable-higher-education-reports/cutting-interest-rates-lowering-student-debt>

Alliance for Excellent Education, “In Need of Improvement: NCLB and High Schools,”  
[http://www.all4ed.org/files/NCLB\\_HighSchools.pdf](http://www.all4ed.org/files/NCLB_HighSchools.pdf)

Pre[k]now Fact Sheets  
<http://www.preknow.org/advocate/factsheets/benefits.cfm>

Committee for Economic Development, “The Economic Promise of Investing in High-Quality Preschool,” 2006: [http://www.ced.org/docs/report/report\\_prek\\_econpromise.pdf](http://www.ced.org/docs/report/report_prek_econpromise.pdf)

## Endnotes

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<http://www.washingtonpost.com/wp-dyn/content/article/2007/04/30/AR2007043001930.html>

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<http://www.huffingtonpost.com/huff-wires/20070930/student-loans-the-spiral/>

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<sup>6</sup> Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica Smith. (*Income, Poverty, and Health Insurance Coverage in the United States:*) 2006. United States Census Bureau. August 2007. (Adjusted for 2006 dollars) <http://www.census.gov/prod/2007pubs/p60-233.pdf>

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- <sup>15</sup> American Federation of Teachers. 2006. *Building Minds, Minding Buildings: Turning Our Crumbling Schools into Environments for Learning*. <http://www.aft.org/topics/building-conditions/downloads/minding-bldgs.pdf>
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- <sup>19</sup> Ibid
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# New Energy for America

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## ***The Problem***

America's energy policy is running on empty. Families are strapped by rising gas and heating costs. We're shipping billions to oil producers abroad. Our security is weakened by deepening dependence on foreign oil. Catastrophic climate change is a real and present danger. And, thanks to years of Bush administration denials and obstruction, we are running out of time.

Families are now spending an annual average of \$1,700 more for home heating oil and \$800 more to fill up their cars than in 2000.

Last year, we spent \$237 billion on foreign oil<sup>1</sup>, with the help of borrowed money from the Chinese. Meanwhile, we've lost 3.4 million manufacturing jobs over the course of the Bush administration.

The warning signs of catastrophic climate change are all around us. The Arctic ice caps have shrunk to a 29-year low. Wildfires are burning hotter and longer. A record number of Category 5 hurricanes have formed in the Atlantic Ocean this decade. Hunting seasons and wildlife habitats are beginning to be adversely impacted.

The genius of America is to turn crisis into opportunity. If we change policy – launch a concerted drive for energy independence, we can put millions of Americans to work generating clean, affordable energy alternatives and maximizing energy efficiency. What's stopping us from creating jobs, saving money and saving the planet?

## ***The Reason***

The path to a clean energy economy has been blocked by the Bush administration and its Republican congressional allies who scorn the threat posed by global warming, and discount the growing economic and security costs of reliance on foreign oil. Instead of seeing the transition to renewable energy and conservation as an opportunity, they denounce it as a threat to our economy. And their do-nothing, know-nothing policies are reinforced by entrenched corporate lobbies.

ExxonMobil reported the largest profits of any company in history – over \$40 billion. Yet Republicans in Congress blocked efforts to invest in renewable energy.

We spent \$237 billion on imported oil last year, and we've blown \$500 billion on Iraq so far<sup>2</sup>, as our national security has been weakened by relying on – and occupying – volatile regions of the world.

Hunters, fishermen, and farmers all attest to the startling changes wrought by global warming. After years of denial, President Bush has finally admitted that something is happening, yet his administration continues to cook the books, pressuring government scientists to downplay the data and mislead the public.

For too long, conservatives have been subsidizing the disease and starving the cure. We don't have to continue the failed policies that perpetuate the addiction to oil and put our pocketbooks and planet at risk. We have a choice.

## ***The Solution***

We need a concerted national initiative – a 10 year plan like John Kennedy's Apollo Initiative that took us to the moon – to move us to a new energy economy, creating jobs, strengthening our security and resolving the climate crisis. We can weatherize homes and office buildings, saving money on reduced energy costs. We can move to renewable energy sources – wind, solar, biofuels – that already exist. We can mobilize science and technology and the imaginations of the young to build the next generation of energy-efficient appliances, batteries, advanced automotive technologies.

If we take the initiative, we can then help lead the world into the imperative cooperative efforts to curb carbon emissions and address global warming. With the revenue we generate by scrapping giveaways to Big Oil and auctioning off carbon allowances, we can create millions of new jobs in renewable and low carbon energy production, green building construction and retrofits, and the manufacture of new energy-efficient products – good-paying jobs that can't be easily outsourced. Rather than shipping billions abroad for oil, we'll profit from taking the lead in the growing markets for green technology. We can develop the clean coal technologies vital to the transition to sustainable energy, explore the benefits and costs of a new generation of nuclear power. We'll provide sustainable and affordable fuel options for consumers and businesses. We'll fortify our economy and our security. Creating jobs, saving money and saving the planet. There's no reason to wait, and no time to lose.

## Telling the Story

### ◆ Stories to Look for

- ◆ Individuals forced to choose between heating homes and other basic necessities
- ◆ Ideas that must be acted on but need capital – such better car batteries, carbon capture and sequestration technology cancelled by Bush administration, and solar panel technology
- ◆ Commuters faced with rising fuel costs and inadequate public transportation
- ◆ Laid-off workers eager to train for “green-collar” jobs, or entrepreneurs getting started
- ◆ Companies or schools that have gone green and reduced heating costs
- ◆ Small business or farm forced to make cuts (in labor, benefits, production, etc.) because of increased cost of energy in production

#### Spotlight Story #1

SAN JOSE, Calif., May 2 — Strangers are flocking to Eric and Nicole Jorgensen's boxy 50-year-old tract house. With energy on nearly everyone's mind, the Jorgensens' place — with solar panels on the back roof, a sun oven in the backyard and a meter that runs backward — is a full-scale attraction. It draws fifth-grade classes, international news crews and fellow homeowners.

"California has so much sun that it's silly everyone isn't doing this," said Mr. Jorgensen, 34, a physicist at Stanford University. He hitched his house to the sun and wind last October, and it now produces more energy than it uses.<sup>3</sup>

*From the New York Times, May 3, 2001*

#### Spotlight Story #2

SWEETWATER, Tex. — The wind turbines that recently went up on Louis Brooks's ranch are twice as high as the Statue of Liberty, with blades that span as wide as the wingspan of a jumbo jet. "That's just money you're hearing," he said as the turbines hummed in a brisk breeze recently.

Teenagers who used to flee small towns like Sweetwater after high school are sticking around to take technical courses in local junior colleges and then work on wind farms. Marginal ranches and cotton farms are worth more with wind turbines on them.

"Wind has invigorated our business like you wouldn't believe," said Marty Foust, local shopkeeper. "We're now in our own bubble."<sup>4</sup>

*From the New York Times, February 23, 2008*

## Hot Facts

- ◆ **Bush's energy policy has kept us addicted to oil.**
  - ◆ We spent \$237 billion on imported crude oil last year.<sup>5</sup>
  - ◆ Despite enjoying record profits from sky-high gas prices, oil companies get billions in tax breaks and government subsidies.<sup>6</sup>
  - ◆ In 2007, Senate Republicans used a filibuster to block a clean energy bill that would have stripped subsidies from Big Oil and invested in renewable energy.<sup>7</sup>
  - ◆ The new Congress was able to raise fuel-efficiency standards to 35 mpg by 2020, but that alone won't cut greenhouse gas emissions and achieve energy independence.
  
- ◆ **Big Oil reaps windfall profits from our failed energy policy.**
  - ◆ ExxonMobil posted the highest annual profit ever for a U.S. company, \$40.61 billion in 2007.<sup>8</sup>
  
- ◆ **Working Americans bear the brunt of our failed energy policy.**
  - ◆ The price of gasoline has doubled<sup>9</sup> and the price of home heating oil has more than doubled, since January 2000.<sup>10</sup>
  - ◆ Families spend \$1,700 more to heat their homes than in 2000.<sup>11</sup>
  - ◆ Families spend \$800 more to fuel their cars than in 2000.<sup>12</sup>
  
- ◆ **Despite years of denial by Bush and Republicans in Congress, the climate crisis grows worse and the dangers are accelerating.**
  - ◆ The Arctic ice caps have shrunk to a 29-year low.<sup>13</sup>
  - ◆ Wildfires are burning hotter and longer.<sup>14</sup>
  - ◆ A record number of Category 5 hurricanes have formed in the Atlantic Ocean this decade.<sup>15</sup>
  - ◆ Even hunting seasons and wildlife habitats are beginning to be adversely impacted.<sup>16</sup>
  - ◆ Lake Mead, which supplies water to Phoenix and Las Vegas, is drying up.<sup>17</sup>
  
- ◆ **Climate change is an urgent economic threat.**
  - ◆ The British government projects a 10-20% decline in global economic activity – comparable to Great Depression.<sup>18</sup>
  - ◆ Unstable climate will decrease food production and water supplies.<sup>19</sup>
  
- ◆ **Investment in new energy is good for the economy.**
  - ◆ Most jobs producing renewable energy will be in manufacturing, helping reverse the recent loss of 3 million manufacturing jobs.<sup>20</sup>
  - ◆ Addressing climate change will be much cheaper than dealing with the consequences.<sup>21</sup>

## Public Pulse

- ◆ **Americans are tired of rising fuel prices and want a new energy policy.**
  - ◆ 65% say our energy policy is seriously on the wrong track.<sup>22</sup>  
*(Greenberg Quinlan Rosner Poll, April 2007)*
  - ◆ 81% of Americans think gas prices are “unreasonable” when “compared to the prices of most other things [they] buy.”<sup>23</sup>  
*(CNN/Opinion Research Corporation Poll, May 2007)*
  - ◆ 63% of Americans say that recent price increases in gas causes them “financial hardships.”<sup>24</sup>  
*(CNN/Opinion Research Corporation Poll, November 2007)*
  - ◆ 66% of Americans have had to reduce their driving, turn down the thermostat, or cut back on other expenses. 49% have changed their vacation plans.<sup>25</sup>  
*(AP/IPSOS Public Affairs Poll, May 2006)*
  
- ◆ **Americans support an energy policy based on public investment in new energy.**
  - ◆ 64% of Americans are “willing to pay higher taxes on gasoline and other fuels if the money was used for research into renewable sources like solar and wind energy.” Only 33% are unwilling.<sup>26</sup> *(CBS/New York Times Poll, April 2007)*
  - ◆ 75% of Americans would be willing to pay more for electricity if it were generated by renewable sources like solar or wind energy in order to help reduce global warming.<sup>27</sup> *(CBS/New York Times Poll, April 2007)*
  
- ◆ **Concern about global warming adds urgency for a new energy policy.**
  - ◆ 76% of people believe the effects of global warming are apparent now.<sup>28</sup>  
*(Greenberg Quinlan Rosner Poll, April 2007)*
  - ◆ Seven in ten Americans think that the federal government should do more to address global warming.<sup>29</sup> *(ABC News/Washington Post Poll, April 2007)*
  
- ◆ **Energy transition raises difficult issues.**
  - ◆ Nuclear power: Conservatives argue for nuclear power, which many unions and some environmental groups support as a necessary part of dealing with global warming. Others worry about how we safely store waste that remains radioactive for thousands of years.
  - ◆ Coal: We have plentiful reserves of coal, which supplies a large portion of our energy needs. Some environmental activists argue against any further coal – burning plants. Others, and many unions, push hard for clean coal – a process that seeks to gassify the carbon, and store it back in the earth. Coal is a central energy source in China, Eastern Europe and elsewhere, so many scientists think developing clean coal is an imperative.

## Message Box

| Us on Us   | Them on Us   |
|--|--|
| <p>We should launch a concerted drive for new energy – investing in renewable energy, conservation and new green innovation. We can generate millions of jobs, gain energy independence, reduce our trade deficits, address global warming and strengthen our security.</p>  | <p>The market not the government should define the right energy mix. They'll just waste your money on subsidies and boondoggles. With the price of oil where it is, private investment is already building alternatives.</p> <p>And their burdensome regulations and limits will tax our companies and damage our economy at the very time it least can afford it.</p>                   |
| Us on Them   | Them on Them   |
| <p>They're subsidizing the disease and starving the cure. They've done nothing as oil prices have soared and the climate crisis has gotten worse.</p> <p>Republicans in Congress blocked efforts to rollback subsidies to Big Oil and use that money to invest in renewable energy. Yet you pay a lot more at the pump than you ever saw in Bush's tax cuts.</p> | <p>We need a comprehensive energy plan, but one that is based on markets and competition, not on government.</p> <p>Lower taxes, so the market can take the lead in developing technology to cut greenhouse gas emissions.</p> <p>We should open up oil fields here at home, and get rid of the red tape that blocks the development of domestic energy sources, like nuclear power.</p> |

## Additional Resources

Campaign for America's Future: New Energy  
<http://ourfuture.org/energy>

Apollo Alliance  
<http://apolloalliance.org/>

Ella Baker Center: Green-Collar Jobs Campaign  
<http://ellabakercenter.org/page.php?pageid=5>

Union of Concerned Scientists: Clean Energy  
[http://www.ucsusa.org/clean\\_energy/](http://www.ucsusa.org/clean_energy/)

League of Conservation Voters: 2008 Presidential Primaries Voter Guide  
<http://www.lcv.org/voterguide/>

Grist: Energy  
<http://grist.org/topic/energy>

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[http://money.cnn.com/2008/02/01/news/companies/exxon\\_earnings/](http://money.cnn.com/2008/02/01/news/companies/exxon_earnings/)
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[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/wrgp/mogas\\_history.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/wrgp/mogas_history.html)

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# Health Care for All

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## ***The Problem***

America's health care system is broken. Health costs are rising out of control. The number of Americans without health insurance is growing. And the likelihood of losing – or not being able to afford – good health care is striking fear in the hearts of many family breadwinners. Meanwhile, private insurance and drug companies – and their CEOs – are raking in huge profits.

Skyrocketing health care costs are pricing care out of reach for more and more families and businesses. The number of uninsured in America has shot up to 47 million, including 9 million kids. Employers are passing more costs onto employees or finding it difficult to offer coverage at all – and many are dropping coverage altogether for early retirees. Private insurance companies make money by avoiding insuring those who are sick, and insurance agency clerks tell doctors what treatments they can prescribe. Many families are one medical emergency away from bankruptcy.

## ***The Reason***

Seven years of Bush and Republican rule in Washington has made the problem worse. Right-wing Republicans in Congress joined Bush to block bipartisan legislation expanding health care for children. They lavished billions in subsidies on insurance companies, while seeking to cut billions from Medicare and Medicaid. They stood with the drug lobby and blocked efforts to let Medicare negotiate lower drug prices and allow Americans to import affordable medications from Canada.

Even Republicans can't ignore public demands for health care reform, but their proposals would make problems worse – encouraging employers to drop health care coverage, while offering individuals the illusion that tax breaks would be enough to help them buy health insurance for their families in the private market. They preach freedom to choose, yet they have left too many Americans stuck with only bad health care choices. It's time for a progressive solution: real health care choices guaranteeing quality health care for all at an affordable cost.

## **The Solution**

High quality health care is a right for all, not a privilege for the few. It's time to guarantee health care for all, while getting costs under control. And let Americans enjoy the same choice of plans that their elected U.S. representatives enjoy.

With guaranteed affordable choice, insurance companies won't be able to discriminate against those who are sick. If you have insurance you like, you can keep it. If you don't have insurance you like, or don't have it at all, you can choose from the private plans now available to Congress, or opt into a new public insurance plan.

No longer will Americans be denied health care because they can't afford it, or because they lose their jobs, or because they have pre-existing medical conditions. Guaranteeing health care for all will help save up to \$120 billion as we emphasize preventative care and move towards electronic medical records. This guarantee will help limit costly emergency room visits and unnecessary medical procedures. And a new report by the Lewin Group for the Economic Policy Institute finds a health care plan combining the best elements of today's employer-based system and a public plan would save more than \$1 trillion over the next 10 years and cover 99.6 percent of all Americans.

## Telling the Story

### ◆ Stories to Look for

- ◆ Children without SCHIP coverage because expansion was vetoed
- ◆ Families who went bankrupt because of high medical costs
- ◆ People who had insurance but their insurance company refused to cover the costs of treatment for an illness or injury, leading to extreme debt or medical problems
- ◆ People who lose coverage because they are laid off, and cannot get coverage because of a pre-existing condition
- ◆ Seniors who fall into Medicare prescription benefit “donut hole” and face large drug bills
- ◆ Congressional recipients of pharmaceutical or insurance company donations, who then vote to protect corporate interests

### Spotlight Story

When Steve and Leslie Shaeffer's daughter, Selah, was diagnosed at age 4 with a potentially fatal tumor in her jaw, they figured their health insurance would cover the bulk of her treatment costs.

Instead, almost two years later, the Murrieta, Calif., couple face more than \$60,000 in medical bills and fear the loss of their dream home. They struggle to stave off creditors as they try to figure out how Selah can keep seeing the physician they credit with saving her life.

"We're in big trouble," Leslie said.

Shortly after Selah's medical bills hit \$20,000, Blue Cross stopped covering them and eventually canceled her coverage retroactively, refusing to pay for treatment, including surgery the insurer had authorized in advance.

The company accused the Shaeffers of failing to disclose in their coverage application an undiagnosed bump on Selah's chin and physician visits for croup. Had that been disclosed, the company said in a letter, it would not have insured Selah.

The Shaeffers say they weren't trying to hide anything. When they applied for coverage, Selah did not have a tumor, at least as far as they – or any physician – knew. The doctor visits occurred after Leslie filled out the paperwork, and they seemed routine, the Shaeffers say. They believe Blue Cross was looking for any excuse to dump their daughter and dodge her bills.

*Los Angeles Times, September 17, 2007<sup>1</sup>*

## Hot Facts

### ◆ **Our health care system is broken...**

- ◆ 47 million Americans are uninsured, up from 38 million in 2000, including 9 million kids.<sup>2</sup>
- ◆ Since 2000 family health insurance premiums have risen 57%.<sup>3</sup>
- ◆ More than half of all personal bankruptcies are due to medical bills.<sup>4</sup> Every 30 seconds, someone files for "medical bankruptcy."<sup>5</sup>
- ◆ Employers are passing more costs onto employees, more businesses have stopped offering health insurance altogether and those that do find it harder to compete.<sup>6</sup>

### ◆ **...and Bush and congressional Republicans have made it worse.**

- ◆ Bush and a Republican minority in Congress blocked bipartisan legislation – twice – that would have provided health care to 4 million uninsured children.
- ◆ Republicans used a filibuster to prevent Congress both from allowing Medicare to negotiate with drug companies for lower prices, and allowing us to get affordable medications from Canada.
- ◆ Rep. Billy Tauzin (R-LA) designed the law banning Medicare from negotiating lower drug prices. After the law passed, he immediately resigned and took a \$2 million job as CEO for the drug lobby.<sup>7</sup>
- ◆ Medicare has become partially privatized, as billions in wasteful subsidies are doled out to private insurance and drug companies through Medicare Part D<sup>8</sup> and Medicare Advantage.<sup>9</sup>

### ◆ **Republicans protect insurance companies that make money trying to avoid insuring those who need it most.**

- ◆ Insurance companies are raking in record profits, with the top five health insurance companies grabbing a combined profit of \$10 billion.<sup>10</sup>
- ◆ Insurance company profits rose an amazing 1,084 percent in five years.<sup>11</sup>
- ◆ The health industry spends hundreds of millions in lobbying and campaign contributions,<sup>12</sup> then reaps billions in government subsidies in return.
- ◆ They promote caps on jury awards in malpractice cases even though that would do nothing to lower health care costs<sup>13</sup>, because they're more interested in protecting insurance companies than the middle class.

## Public Pulse

### ◆ Health care reform is a top priority for America's voters.

- ◆ Health care is right behind the economy in voter priorities for the 2008 election.<sup>14</sup> (*Fortune Magazine, January 2008*)
- ◆ 81% of Americans are “dissatisfied” with health care in this country.<sup>15</sup> (*Gallup, November 2007*)
- ◆ 56% describe our health care system as having “major problems” and another 17% say it’s in a “state of crisis.”<sup>16</sup> (*Gallup, November 2007*)

### ◆ Voters want government to guarantee health coverage for all, if they have a choice in plans.

- ◆ Voters prefer “guarantee[d], affordable health insurance coverage” by a three-to-one margin over Republican proposals such as health savings accounts or tax credits.<sup>17</sup> (*Lake Research Partners, November 2007*)

In head-to-head polling, the statement “an approach that would **guarantee affordable health insurance coverage for every American with a choice** of private or public plans that cover all necessary medical services, paid for by employers and individuals on a sliding scale,” wins **67% support** at the same time “a Health Savings Account program that would provide tax-deductible savings accounts to all Americans if they purchase a private insurance plan with at least a thousand dollar deductible,” which garners **only 20% support**.

Similarly, **guaranteed affordable choice wins 65% support** when matched against “an approach that would provide tax credits that will reimburse individuals and families for 25 to 50 percent of the cost of their private health insurance policies,” garners **20% support**.

Lake concludes: “Voters often support reform proposals in principle – but pull away from policy specifics fearing higher costs or lower quality *for them personally*. They don’t want to lose what they have. Choice is key to reassure them.”

- ◆ Nearly two-thirds (64%) agree that “the federal government should guarantee health insurance for all Americans.” The same share agrees “it is the responsibility of the federal government to make sure all Americans have health care coverage.” (*CBS/New York Times, February 2007*<sup>18</sup>; *Gallup, November 2007*<sup>19</sup>)

◆ **Voters are willing to pay for health care reform, to a point.**

- ◆ “If you had to choose, which do you think is more important for the country to do right now, maintain the tax cuts enacted in recent years or make sure all Americans have access to health care?” (*CBS/New York Times, February 2007*)

|                             |                   |
|-----------------------------|-------------------|
| Access to health insurance: | 76%               |
| Cutting taxes:              | 18% <sup>20</sup> |

- ◆ “Would you be willing or not willing to pay higher taxes so that all Americans have health insurance that they can't lose no matter what?” (If “willing”) “Would you be willing or not willing to pay \$500 a year more in taxes so that all Americans have health insurance they can't lose, no matter what?” (*CBS/New York Times, February 2007*)

|                                       |                   |
|---------------------------------------|-------------------|
| Willing:                              | 60%               |
| <i>Willing to pay \$500:</i>          | 49%               |
| <i>Willing, but not \$500:</i>        | 10%               |
| <i>Willing, not sure about \$500:</i> | 1%                |
| Not willing:                          | 34% <sup>21</sup> |

## Message Box

| Us on Us   | Them on Us   |
|--|--|
| <p>Affordable high quality health care should be a right, not a privilege. It's time to guarantee quality affordable health care for all.</p> <p>Ban insurance company discrimination against those who are sick. Like what you have, you keep it. Don't like what you have, you get a choice between quality private and public plans like that enjoyed by your congressional representative. We'll cover everyone and save money. And have government act as a watchdog to monitor costs, coverage and quality.</p>  | <p>They want socialized medicine, a government takeover of health care.</p> <p>You think health care is expensive, wait until liberals make it "free."</p> <p>Your treatment should be provided by doctors, not by bureaucrats.</p>  |
| Us on Them   | Them on Them   |
| <p>Our health care system is broken, and the Bush administration and congressional Republicans have made it worse. And their reforms would encourage more companies to drop health insurance altogether.</p> <p>Why? Because they cater to insurance companies that make money trying to avoid insuring those who need it most, and would let insurance company clerks tell doctors what they can prescribe.</p> <p>Their proposals encourage employers to quit providing insurance to employees, leaving you with little choice of unaffordable insurance plans in a rigged market.</p> <p>They opposed creating Medicare by calling it socialism. Now they're trying to stop health care for all.</p> <p>Capping jury awards would have almost no impact on health costs – but it would protect insurance company profits over patients victimized by fraud or negligence.</p> | <p>The way to get costs under control is to provide competition, and to help patients make informed decisions.</p> <p>We'll provide you with tax credits, and tax-free health savings accounts, so you can purchase the plan that fits your needs best.</p> <p>Lawsuits are driving good doctors out of practice. We need to stop excessive jury payouts and frivolous lawsuits.</p> |

## Words to Avoid

The following words and phrases trigger skepticism of a government role in health care reform, according Lake Research Partners:

- ♦ Universal coverage
- ♦ A system like Social Security
- ♦ Canadian-style health care
- ♦ Government health care
- ♦ Regulations
- ♦ Required

## Additional Resources

Campaign for America's Future: Health Care For All  
<http://ourfuture.org/healthcare>

Lewin Group analysis of "Health Care for America" plan  
<http://ourfuture.org/healthcare/Lewin-Group-report>

AFL-CIO: America's Health Care Crunch  
<http://www.aflcio.org/issues/healthcare/crisis.cfm>

Stories about health care problems (searchable by state)  
<http://www.healthcaresurvey.aflcio.org>

Economic Policy Institute Agenda for Shared Prosperity – Health Care:  
<http://www.sharedprosperity.org/topics-health-care.html>

The Henry J. Kaiser Family Foundation:

Kaiser Health Security Watch, December 2007  
<http://www.kff.org/healthpollreport/CurrentEdition/security/upload/HSW1207.pdf>

Employer Health Benefits: 2007 Summary of Findings  
<http://www.kff.org/insurance/7672/upload/Summary-of-Findings-EHBS-2007.pdf>

Wages and Benefits: A Long-Term View  
<http://www.kff.org/insurance/snapshot/chcm012808oth.cfm>

Kaiser Commission Key Facts on Medicaid and the Uninsured  
[http://kff.org/uninsured/upload/1420\\_09.pdf](http://kff.org/uninsured/upload/1420_09.pdf)

The Uninsured: A Primer. Key Facts about Americans Without Health Insurance  
<http://kff.org/uninsured/upload/7451-03.pdf>

Current polling on health care:  
<http://www.pollingreport.com/health3.htm>

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# Repairing the Housing Crisis

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## ***The Problem***

The great American housing bubble has burst. Problems in the subprime mortgage market triggered a credit crisis that has frozen credit markets. Defaults on mortgages are spreading to credit cards, and to auto and student loans. Major banks have already written off \$100 billion in losses and are selling themselves to foreign investors on the cheap. The economy is headed into a recession, with the Federal Reserve lowering interest rates at a record rate, and Congress agreeing to a \$170 billion stimulus package in a desperate effort to limit the damage.

2.2 million homes went into foreclosure in 2007. In December, a new foreclosure was filed every five minutes, with more than a million more foreclosures projected for 2008. In Cleveland, HUD is selling foreclosed homes for less than the cost of a cup of coffee. Entire communities are affected. Foreclosed homes are targets for vandals and crime. Cities and states face declining revenues, and cuts in schools, police, sewers and roads have already begun. With housing prices in continued decline, homeowners are estimated to lose up to \$4 trillion in the value of their homes. Experts now suggest that most homes purchased since 2004 have lost value; a third of the homes bought in 2006 are worth less than the mortgage owed on them.

Tragically, it is working families – disproportionately in minority communities – who suffer the greatest losses. For most Americans, their home is their greatest asset, their largest savings. In recent years, Americans have re-mortgaged or taken out home equity loans, taking money out of their homes to pay off debts, meet rising costs, or take on new purchases. That option is now closed.

## **The Reason**

The housing bubble – the staggering increase in housing prices that led to a classic speculative mania – had two roots. First, the Federal Reserve, seeking to lift the economy out of the last speculative mess – the dot.com collapse and the 9/11 shocks – lowered short-term interest rates to 1% and kept them there. With money cheap, deregulated banks and mortgage brokers went on a spree. They invented new ways to package risky loans into "asset-backed" securities, have them rated as safe investments and then peddle them across the world. Brokers could offload the mortgages they made overnight. They no longer cared if the borrowers could in fact afford the mortgages.

The result was a corporate wilding. Mortgage brokers were rewarded for persuading unqualified borrowers to buy into financial time bombs. Banks then sold those loans to financial engineers, who scrambled and re-sold them as if they were asset-backed securities. Private regulation – the rating agencies like Moody's – failed miserably. Public regulation was gutted. Federal Reserve Chair Alan Greenspan turned cheerleader, encouraging Americans to enter into mortgages with variable interest rates.

As long as housing prices went up, everyone prospered. But this was a classic Ponzi scheme. As soon as interest rates started to go up, and housing prices finally soared beyond reach of Americans – even with exotic "no doc" loans with teaser rates – the house of cards collapsed. With construction and housing driving the economic recovery, the entire economy hit the wall.

## ***The Solution***

Bailing out banks for irresponsible loans only encourages irresponsibility. Bailing out speculators who bought more home than they could afford is unfair. But this housing crisis now is driving down prices across the country, damaging the responsible as well as the irresponsible. The recession likely to result will be felt across the country. We need a solution that stops the hemorrhaging but doesn't bail out the irresponsible.

First, Congress must declare an effective moratorium on home foreclosures and Congress must work with banks to find affordable ways to renegotiate mortgages. This can't be done retail. A general moratorium on foreclosures – a freeze of interest rates for six months, while mortgages are renegotiated – is a vital first step. Every homeowner has a stake in stemming the tide of foreclosures.

A mechanism like the Federal Home Loan Mortgage Corporation should be created, in essence to act as the neighborhood banker. It would buy back mortgages at a deep price reduction from investors and banks (forcing them to take their losses). It could then renegotiate with homeowners – not speculators – to remortgage the home on affordable basis. This would stem the tide of foreclosures and limit drops in neighboring home prices.

At the same time, Congress must ensure that bottom-feeding mortgage brokers and banks are held accountable. Investigations of systematic fraudulent loan practices should result in indictments.

Then, we need a watchdog, not a lapdog, to regulate the banking sector. Deregulation has given bankers multimillion dollar personal incentives to produce more and more exotic instruments that even they don't understand. After the crash, the Federal Reserve issued rules requiring mortgage lenders to assess whether the borrower actually has the income needed to repay the loan. But Banking 101 is only a first step. We must restore rules for debt/asset ratios so banks and other investment houses essentially acting like banks can't lend more money than they can safely afford. We need a comprehensive look at how to re-create sensible rules that can provide speed bumps to curb speculative manias. The next time America embarks on a national commitment to increase home ownership, we'll do it through win-win policies in which government and private markets cooperate – not policies that deregulate and leave the field open to swindlers.

# Telling the Story

## ◆ Stories to Look for

- ◆ Families pushed out of their homes because their adjustable rate mortgages ballooned above their monthly incomes. Or families stuck with "upside down" mortgages—in which the debtor owes more than the house is worth.
- ◆ Families who trusted their broker and were misled.
- ◆ Homeowners on blocks blighted with abandoned houses, who find their homes plummeting in value through no fault of their own. Municipalities forced to dip into precious resources to cut lawns, scatter squatters, and board up windows to fight neighborhood blight.
- ◆ Loss in property tax revenue to local government with an impact on school funding.

### Spotlight Story

- The city of Shaker Heights, Ohio, is spending millions of dollars to maintain vacant houses in an effort to contain blight and real-estate panic. The city is installing alarms, fixing broken windows and mowing lawns at the vacant houses in hopes of preventing a snowball effect, in which surrounding property values suffer and worried neighbors move away.<sup>1</sup> In Slavic Village, Ohio, 1,500 homes have been abandoned, and neighbors live beside empty houses that attract scrap-metal thieves and drug dealers.<sup>2</sup>
- Mark and Kerrie Russo, a Jackson, New Jersey couple raising two young daughters, bought a home in 2005 with a 30-year fixed-rate loan, based on their solid credit history. Then, a local mortgage broker began sending them letters offering to refinance their loan. A new product, the sales pitch said, allowed home owners flexibility to choose from a menu of different payments from one month to the next. What the broker didn't explain was that it was a "negative amortization" loan – an expanding debt that buried the couple deeper in hock even as they thought they were paying down their mortgage balance.<sup>3</sup>
- In Cleveland, HUD is offering homes to the city for a dollar each. HUD foreclosed on the houses because they had federally insured mortgages, and can't find other buyers.<sup>4</sup>

## Hot Facts

### ◆ **Mortgage brokers wrote loans they knew could not be paid back.**

- ◆ High risk sub prime loans went from 2.6% of U.S mortgages in 2000 to 13.6% in 2006.<sup>5</sup>
- ◆ A new home foreclosure was filed every five minutes in December 2007. There were 2.2 million foreclosure filings in 2007, up 75% from 2006.<sup>6</sup>
- ◆ More than half (55%) of people who got sub prime loans had credit scores high enough to qualify them for better loans at better rates.<sup>7</sup>
- ◆ Shareholders in the securities industry lost \$74 billion in equity in 2007. But firms still paid their staff a record \$38 billion in bonuses.<sup>8</sup>

### ◆ **Homes have lost value, and communities have lost funding.**

- ◆ U.S. home values have dropped between \$2 and \$4 trillion.<sup>9</sup>
- ◆ More than one out of three (39%) homes bought in 2006 is worth less than the mortgage owed.<sup>10</sup>
- ◆ Roughly 40% of funding for K-12 education comes from local property taxes, which are dropping with home values.<sup>11</sup>

### ◆ **The mortgage crisis has forced a financial contagion across the entire economy.**

- ◆ Auto loan defaults are up 16% since last year and credit card failures are up 25%.<sup>12</sup>
- ◆ With college costs on the rise and household income on the decline, families have borrowed against their homes for college. But that source is drying up.<sup>13</sup>

## Public Pulse

People generally blame borrowers for getting into trouble, but they also see bank responsibility. They see a role for banks to renegotiate failing deals, though they hesitate to invite government intervention. There is a clear partisan split in attitudes. A December 2007 Rasmussen poll of adults found more blame for “individuals who borrowed more than they could afford” than “Wall Street investors” (54% v. 25%). The division was even more clear along party lines: Republicans blame individuals over Wall Street, 69% to 12%; Democrats blamed Wall Street over individuals, 37% to 42%

The following summary stems from a Rasmussen December 10, 2007 poll of adults,<sup>14</sup> a CNN December 10, 2007 poll of adults,<sup>15</sup> and a December 10, 2007 on line poll by *The Wall Street Journal Online* and Harris Interactive:<sup>16</sup>

### ◆ Who is at fault?

- ◆ Borrowers:
  - Rasmussen: 54% blame “individuals who borrowed more than they could afford.”
  - CNN: 51% say “borrowers willingly entered into those agreements and have no one to blame but themselves.”
  - Harris: 16% “Home buyers [are] primarily responsible for the trouble in the housing market and mortgage business.”
- ◆ Banks and business:
  - CNN: 46% say “borrowers are the victims of bad lending policies by the banks who provided mortgages to them.”
  - Rasmussen: 25% blame “Wall Street investors” for the sub prime and foreclosure crisis.
  - Harris: 52% “Mortgage lenders and brokers [are] primarily responsible for the trouble in the housing market and mortgage business.”
- ◆ Government:
  - Harris: 21% “Government regulators [are] primarily responsible for the trouble in the housing market and mortgage business.”

### ◆ What should be done?

- ◆ Rasmussen: 26% say the federal government should “aid Americans who took out sub prime loans on homes and now face foreclosure”; 39% oppose federal aid; and 35% are not sure.
- ◆ Harris: 48% say “direct lenders are most responsible for making sure that borrowers are able to pay their mortgages and should be required to modify loan terms on mortgages given to owners who couldn't afford them.”

## Message Box

| Us on Us  | Them on Us   |
|---|--|
| <p>We need to hold irresponsible banks and brokers accountable, and help hard-working families who got swindled.</p> <p>We shouldn't bail out irresponsible lenders or borrowers, but we must act to keep the housing crisis from undermining the economy, and devastating home values.</p> <p>We need a government watchdog, not a lapdog, over the financial community, to limit financial speculation and predatory lending practices.</p>   | <p>If you took out a confusing loan, it's your fault. Don't ask people who acted responsibly to bail you out.</p> <p>Regulation will simply shut down credit to borrowers. What we need is personal responsibility not more government red tape.</p>                         |
| Us on Them  | Them on Them   |
| <p>They deregulated bankers, brokers and hedge fund operators, who savaged working families reaching for the American Dream, and devastated the entire economy.</p> <p>Now they want to protect the bad actors, instead of holding them accountable.</p> <p>Few families have received help while foreclosures skyrocket, property values sink, credit dries up and local budgets get squeezed.</p> <p>They've taken only minor steps – hoping to “sandbag,” according to one lobbyist, the major reform families in crisis need.</p> | <p>“Innovative mortgage products have helped millions of Americans afford their own homes ... Unfortunately, some of these products were used irresponsibly.” (Bush, Dec. '07)</p> <p>We've worked with the mortgage industry to freeze rates and help people refinance.</p> |

## Additional Resources

The Subprime Lending Crisis: The Economic Impact on Wealth, Property Values and Tax Revenues, and How We Got Here.

<http://jec.senate.gov/Documents/Reports/10.25.07OctoberSubprimeReport.pdf>

Subprime Mortgage Crisis Causing African Americans to Experience Greatest Loss of Wealth in Modern U.S. History.

[http://www.democracynow.org/2008/1/17/report\\_subprime\\_mortgage\\_crisis\\_causing\\_african](http://www.democracynow.org/2008/1/17/report_subprime_mortgage_crisis_causing_african)

Women are Prime Targets for Subprime Lending: Women are Disproportionately Represented in High-Cost Mortgage Market.

<http://www.consumerfed.org/pdfs/WomenPrimeTargetsStudy120606.pdf>

Losing Ground: Foreclosures in the Subprime Market and their Cost to Homeowners:

<http://www.responsiblelending.org/pdfs/foreclosure-paper-report-2-17.pdf>

Subprime Spillover: Foreclosures Cost Neighbors \$202 Billion; 40.6 Million Homes Lose \$5,000 on Average.

<http://www.responsiblelending.org/pdfs/subprime-spillover.pdf>

## Endnotes

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# Immigration

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## ***The Problem***

Our immigration system is broken. An estimated 12 million undocumented workers live in America, easily exploited by unscrupulous employers. Hundreds of thousands come each year, looking to support their families.

This mass migration, like the previous ones in our history, is driven by need: impoverished workers seeking a way to support their families. It has been exacerbated by the failure of our trade and development policies, particularly towards Mexico, and facilitated by lax enforcement of our own labor and employment laws. In Mexico, NAFTA proved costly for ordinary workers, uprooting small farmers from their land and driving them North looking for work. The number of people crossing the border illegally from Mexico has more than doubled in the 14 years since NAFTA took effect.

At the same time that global forces are pushing workers to our borders, employers are pulling immigrant workers into jobs in the shadow economy, where workers can be easily exploited. Employers effectively are creating an underclass of workers that lowers the floor on wages and conditions for all workers. Now we witness a growing public backlash, preying upon people's fears concerning jobs, wages, health care and culture. So far, politicians appealing to this backlash have not fared well politically. But in a slowing economy, the backlash is certain to get uglier and the politics more harsh.

## ***The Reason***

President Bush and the Republicans in Congress have essentially let the situation fester. They are frozen because their core constituencies are split. Corporations want cheap labor. Anti-immigrant ideologues on the right push unworkable proposals such as mass deportation and a giant wall on our southern border.

The result: gesture, rhetoric but no fundamental reform. Bush's efforts to pass needed comprehensive reforms were blocked by his own party. The Bush team has actually made it easier for employers to exploit immigrant workers by denying them basic labor rights. Sen. John McCain (R-Ariz.) abandoned his "straight talk" and his own legislation to win his party's nomination. Meanwhile, demagogues feed fears and xenophobia. States are left to fend on their own.

## ***The Solution***

Comprehensive immigration reform is essential. America deserves an immigration system that protects all workers and at the same time guarantees the safety of our nation without compromising our fundamental civil rights and civil liberties.

We can start by enforcing our labor and employment laws to remove incentives for employers to hire undocumented workers. Stop allowing employers to turn full-time, permanent, year-round jobs into temporary jobs under guestworker programs. Ensure that all workers have rights on the job to prevent exploitation and a lowering of standards for all.

Second, we must gain control of our borders. This is not easy. Our tradition of relatively open borders has facilitated trade and peaceful exchange. Adequate policing must be accompanied by measures to ease legal access.

Third, we must fix our broken legal immigration system. Provide a path to citizenship for the undocumented workers here who have worked hard, paid taxes and made positive contributions to their communities. We aren't going to hunt down and deport 12 million workers, separating them from their children.

Additionally, we should reverse policies that contribute to the misery that forces people to leave their homes. Reform our trade policies so they raise, rather than lower, living standards for workers everywhere. Engage Mexico on ways to make that country's economy work.

We need comprehensive reform. We also need to challenge the fear-mongering and red-meat appeals to extremists that feed fears and foster hate. America's strength comes from being a land of immigrants. We cannot allow a necessary debate on immigration to feed racial divides.

If we don't do all of it at the same time, we're going to solve none of it. Those who say all we need are sticks are posturing, not problem solving. Americans need and want a solution.

## Telling the Story

### ◆ Stories to Look for

- ◆ Employers exploiting immigrant labor through unsafe working conditions and substandard wages and benefits while trying to avoid unionization efforts
- ◆ Anti-immigrant candidates, and employers who donate to those candidates, who employ undocumented workers
- ◆ Immigrant children separated from deported family members
- ◆ Immigrant victims of domestic violence unable to report crimes and receive shelter
- ◆ Slanders, hate crimes, or discrimination suffered by Latino or Asian Americans who are U.S. citizens

### Spotlight Story #1

Rep. Tom Tancredo is the loudest anti-immigrant zealot – except when it comes to his home.

Undocumented immigrants helped remodel U.S. Rep. Tom Tancredo's Littleton basement, two of the workers told the *Denver Post*.

The workers said they were among a crew of five or six people who labored for contractor Creative Drywall Design of Denver, creating a home theater with terraced seating, a billiards table and game area, and a bedroom for Tancredo, a Republican and one of the nation's most vocal immigration critics.

All but one of the crew were undocumented immigrants from Latin America, according to two of the workers... Tancredo didn't break any laws, according to immigration lawyers briefed on the case. He never asked whether the workers – only two of whom spoke English – were in the country legally, said Eric Givan, project manager for the company...

... Tancredo "doesn't want us here, but he'll take advantage of our sweat and our labor," said one of the workers. "It's just not right."

*Denver Post, September 19, 2002*

## Spotlight Story #2

An immigration raid at a major North Carolina pork-packing plant provoked protests yesterday from union officials, who said the company, Smithfield Foods, had collaborated with the authorities searching for illegal immigrants to discourage its workers from organizing. 18 Mexicans and 3 Guatemalans whom the Immigration and Customs Enforcement officers said were in this country illegally were deported. Gene Bruskin, an organizer for the United Food and Commercial Workers Union, said the company had started to cooperate closely with immigration authorities after a walkout by immigrant workers last summer. He said, "My concern is the company is using the immigration issue to manipulate this long fight over workers' rights."

*New York Times, January 26, 2007<sup>1</sup>*

## Hot Facts

### ◆ Our immigration system is broken.

- ◆ There are more than 12 million people living in the U.S. without authorization. Nearly half of them came with a legal visa and overstayed that visa.<sup>2</sup>
- ◆ The number of visas available every year is arbitrary and was set by Congress more than a decade ago. Wait times for legal visas can be as long as 22 years.<sup>3</sup>
- ◆ Foreign-born workers are an increasingly large portion of the labor force. They will be filling the gap left by the retiring baby boomers.

### ◆ Republicans failed to fix the system.

- ◆ Republicans, split between corporations wanting cheap workers and anti-immigrant ideologues wanting an unworkable border wall, couldn't pass comprehensive reform.
- ◆ The planned wall has proven to be more about politics than protection, bypassing Bush patrons and private resorts, while dividing middle-class homes and family farms.<sup>4</sup>

## Public Pulse

Most Americans still support comprehensive immigration reform, and reject “enforcement-only” proposals without a path to citizenship.

### ◆ Polling from Lake Research Partners and The Tarrance Group finds:

- ◆ 64% of Americans prefer legislation that “provides for increased border security and tougher enforcement, and also includes a path to citizenship for illegal immigrants, which some would call amnesty” over Congress passing “nothing.”<sup>5</sup>
- ◆ 57% prefer a candidate who supports “a comprehensive solution” including “things like tighten border security and enforce current laws” as well as an “earned legalization program for illegal immigrants.”<sup>6</sup>
- ◆ Only 37% support a candidate who says “all we need to do” is “tighten security on our borders and have tougher enforcement of our current law.”

Stressing enforcement at the border and barring employers from exploiting immigrant workers are critical to gain credibility for a comprehensive solution.

### ◆ Polling from Democracy Corps finds:

- ◆ 75% of voters are more likely to support a candidate who says, “we need to put an end to illegal immigration by cracking down on unscrupulous corporations who exploit illegal and legal workers. When corporations hire illegal workers, all workers lose, as wages come down, and basic worker rights are lost. We must prosecute corporations that hire illegal immigrants to protect the rights of all workers.”<sup>7</sup>
- ◆ 77% support doubling the number of Border Patrol agents.<sup>8</sup>

### ◆ Mass deportation is supported by only about one-third of voters in most polls.

- ◆ 2007 polls by CBS News (28%), Fox News (39%), *New York Times* (33%), *ABC/Washington Post* (35%) and *USA Today/Gallup* (24%) found little support for deportation as a solution to illegal immigration, when matched against a plan with a pathway to citizenship.<sup>9</sup>
- ◆ Not even a majority of Republican voters (45%) supports deportation.<sup>10</sup>

### ◆ Anti-immigrant attacks from Republicans backfired in the 2006 congressional elections.

- ◆ Comparing exit polls from 2004 and 2006 suggests an 11-point swing among Latino voters in favor of the Democrats. The swing among non-Latino white voters was 6%.<sup>11</sup>
- ◆ Close races in which Latinos made up 10% or more of the electorate produced a net gain of four seats for the Democrats.<sup>12</sup>

## Message Box

| Us on Us   | Them on Us  |
|--|---|
| <p>Immigration reform is a profound challenge that requires comprehensive change including getting control over our borders, stopping employer exploitation of immigrant workers, expanding legal immigration, and providing a path to citizenship for the 12 million who now live in the shadows.</p> | <p>They don't get it. Their plans are just a fancy way of saying amnesty. We tried that before and it failed miserably.</p>   |
| Us on Them   | Them on Them  |
| <p>They are fanning hatred and fear while failing to act. They're frozen between their corporate contributors who want cheap labor and right-wing nativists who profit from posturing.</p>   | <p>We're not against legal immigration. We're against illegal immigration.</p> <p>We've got to get control of our borders. We can't reward those who have broken the law. We can't afford to provide welfare to those who came here illegally.</p> <p>And let's be clear. This is America. English is or should be the official language of government.</p> |

## Additional Resources

AFL-CIO: Immigrant Workers

<http://www.aflcio.org/issues/civilrights/immigration/>

Ray Marshall, Getting Immigration Reform Right, EPI Briefing paper, March 2007,

<http://www.epi.org>

Pew Hispanic Center fact sheets

<http://pewhispanic.org/reports/>

Democracy Corps: Winning The Immigration Issue

<http://www.democracycorps.com/strategy/2007/12/a-report-on-new-national-survey-on-immigration/>

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# Investing in America

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## ***The Problem***

America is falling apart. A bridge collapses in Minneapolis at one end of the Mississippi River; levees fail in New Orleans at the other. Midtown Manhattan is terrorized by a failed steam pipe. Commuters waste hours in gridlock. School roofs leak, children share textbooks and go without functioning, up-to-date computers. State colleges raise tuition at three times the rate of inflation, as states cut back public support.

America prospered early by making investments vital to its future – the canal system and the continental train tracks. Presidents of both parties led the way: Lincoln established land grant colleges; Teddy Roosevelt created the national parks; FDR and Truman pushed for the GI Bill that educated the World War II generation; Eisenhower built the Interstate Highway System. Over the years, America built the world’s premier system of free, universal K-12 education. But those huge gains are eroding, and we’re losing our lead.

## ***The Reason***

The Republicans who have taken over our government scorn public investment. They cut taxes on the wealthy and expand the military budget, build bridges to nowhere, waste billions on crony corporations, while putting great pressure on all domestic spending. “Starve the beast,” they say, but inevitably they are starving the investments vital to our future.

Bush and Republicans spend \$10 billion every month to occupy Iraq, but we don’t have money to build new schools or repair crumbling ones. They give \$50 billion in tax cuts annually to households with incomes over \$1 million, but refuse to spend \$7 billion for health care for kids. They lavish \$14 billion subsidies on oil companies during a time of record high gas prices and record profits – but refuse to invest in alternative or renewable energy. Now deeply enmeshed in a global economy, America grows less competitive with our infrastructure dated, our education and training system lacking, even our broadband below industrial nation standards.

## ***The Solution***

We need to invest in the foundation of a rock-solid America. First, we need to invest in our people, with high-quality, affordable health care, quality education from pre-K to college, and training opportunities for people displaced in the global economy. Second, we need to pioneer clean energy technology to power the twenty-first century. Finally, we need to rebuild our crumbling infrastructure, putting people to work building roads and bridges – spending money in America on investments that stay in America.

# Telling the Story

## ◆ Stories to Look for

- ◆ Sinkholes opening up on city streets. These happen with surprising frequency, and one may have happened in your district.
- ◆ High schools and elementary schools in need of repair
- ◆ Bridges rated unsafe or deficient
- ◆ Hospitals or health clinics cutting back services
- ◆ Parents struggling to locate and pay for childcare for their pre-K children
- ◆ College students struggling to pay tuition, especially at state college

### Spotlight Story #1

“The ground opened up beneath a horse stall in Phoenix. An eighty year old sewer line collapsed in St. Cloud. In Tyler, Texas, the sinkhole was caused by crumbling drainage pipes. In San Antonio, ‘big chunks of rocks were falling off into the abyss that used to be a street.’ In Vallejo, California, the pit split an underground gas line (no danger in that). In San José, a water main ruptured beneath a high school (‘the water may appear dirty,’ officials assured residents, ‘but it is safe to drink’). In Sunnyvale, the burst pipe buckled 300 feet of road surface. In Greensboro the sinkhole swallowed a car.”

*The Big Con blog*<sup>1</sup>

### Spotlight Story #2

“When second-grade teacher Susan Seki goes to bed at night and hears rain, she hopes the books in her classroom are dry and that her students won’t have to wear galoshes during class the next day. The Lincoln Elementary School in Burlingame, CA instructor finds it hard to teach vocabulary and arithmetic when the school’s deteriorated roof leaks. Placing buckets around the room — something the school has done twice this school year — does not help the learning environment, either.”

*D.C. Examiner, November 23, 2007*<sup>2</sup>

## Hot Facts

### ◆ **Our crumbling infrastructure costs us money.**

- ◆ Poor road conditions cost U.S. motorists \$54 billion a year in repairs and operating costs.<sup>3</sup>
- ◆ Americans spend on average five weeks a year commuting to work, more than twice the time they spend on vacation.<sup>4</sup>
- ◆ \$1.6 trillion is needed over a five-year period to bring the nation's infrastructure to good condition.<sup>5</sup>

### ◆ **Our human capital is being wasted.**

- ◆ Every dollar invested in high-quality pre-K education saves taxpayers up to \$7 in later social costs – from special education to welfare and criminal justice services.<sup>6</sup>
- ◆ State colleges raised tuitions rose at three times the rate of inflation between 2000 and 2006, moving college out of reach of many families.<sup>7</sup>

### ◆ **We're using our money the wrong way.**

- ◆ The Bush tax cuts for households with annual incomes above \$1 million will cost more than the federal government spent last year on K-12 and vocational education. The cuts will exceed the *combined* budgets of the Departments of Housing and Urban Development, Energy, and the Environmental Protection Agency.<sup>8</sup>
- ◆ Bush vetoed spending \$35 billion over five years to provide health care for 4 million children, while defending the tax break that allows billionaire hedge fund operators to pay a lower rate than their receptionists.<sup>9</sup>

### ◆ **The occupation of Iraq is draining us to no end.**

- ◆ The U.S. spends \$10 billion every month on the Iraq war, a total of \$500 billion so far.<sup>10</sup>
- ◆ With **one day** of Iraq War funding we could have:
  - Sent 6,883 high school graduates to four fully funded years at public universities.<sup>11</sup>
  - Hired 6,921 new public school teachers for a year.<sup>12</sup>
- ◆ With **one month** of Iraq war funding we could have:
  - Bought more than a year's health insurance for the 4 million children Bush vetoed under SCHIP.<sup>13</sup>
  - Repaired our most critical levees and dams.<sup>14</sup>

## The Public Pulse

◆ **Investing in public works has considerable support, even though it is rarely discussed and not currently a main feature of stimulus programs.**

- ◆ In January 2008, *Fortune* magazine asked people's opinion about how to repair the economy. Here are some proposals to help the economy, favor or oppose?<sup>15</sup> (*Fortune Magazine, January 2008*)

| Proposals to help the economy  | Favor      | Oppose     |
|--|------------|------------|
| Tax cuts just for low and middle income people   | 76%        | 21%        |
| Limiting rate increases on adjustable rate mortgages to keep them more affordable                                  | 75%        | 21%        |
| <b>Increasing government spending on things like public-works projects to help create jobs</b>                     | <b>67%</b> | <b>31%</b> |
| Helping people who can't afford their mortgages by suspending foreclosures on houses until the economy gets better | 55%        | 39%        |
| Expanding unemployment benefits and providing additional weeks of benefits   | 55%        | 41%        |
| Extend the Bush tax cuts of 2001 and 2003  | 53%        | 37%        |
| Tax cuts for business  | 51%        | 44%        |

- ◆ A February 2008 AP-Ipsos poll of registered voters revealed that the best ways to improve the economy are to pull out of Iraq and spend on domestic investments.<sup>16</sup> (*Ipsos Public Affairs February, 2008*)

| How much do you think each of the following would help fix the country's economic problems? |            |            |               |                |
|---|------------|------------|---------------|----------------|
|   | Great deal | Some       | Only a little | No help at all |
| Pulling out of Iraq   | 48%        | 20%        | 13%           | 18%            |
| <b>Increasing spending on domestic programs like health care, education and housing</b>     | <b>43%</b> | <b>27%</b> | <b>16%</b>    | <b>14%</b>     |
| Cutting taxes   | 36%        | 32%        | 18%           | 13%            |
| Putting more money in the hands of poor people  | 29%        | 27%        | 26%           | 17%            |

◆ **The most powerful frame for a new direction highlights investment, and returning attention to priorities at home.**

- ◆ In January 2008, Greenberg, Quinlan and Rosner surveyed the “swingiest of swing” voters.<sup>17</sup> They voters describe themselves as Independent, or they were Democrats and Republicans who did not support their party candidate in various polls. The survey geography was in swing congressional districts, presidential battleground states and swing Senate states. Even among this tough group, the survey found overwhelming support for an investment agenda, with a 69% to 25% margin. It’s important, however, also to stress accountability and to respond to voter concerns about deficits and incompetence.
  - “Under this plan, the government will invest to guarantee high-quality affordable health care for all, invest in child development and preschool programs that help kids start school ready to learn, strengthen public schools and expand college aid. This plan will also develop clean energy to help end our dependence on oil. In order to pay for the plan, it would eliminate recently passed tax breaks for millionaires and big corporations, safely end our costly war with Iraq and include new measures to hold government accountable and reduce corruption and waste.”  
**69% support; 25% oppose**
  
- ◆ In a survey of voters in September 2007, Peter Hart Research<sup>18</sup> found these two frames scored highest out of eight:
  - “Over the past five years the Bush administration has spent nearly half a trillion dollars in Iraq, while saying that we cannot afford to meet our priorities at here at home. In fact with just one week of Iraq war funding, about two billion dollars, we could have provided eight hundred thousand children with health care coverage for one year. The Democrats understand that it is time we put first things first and invest in health care, education, and infrastructure right here in America. “  
**60% convincing (47% very)**
  - “Meeting our country’s most important needs in a fiscally responsibility way is just a matter of setting priorities. For the past six years President Bush and the Republican Congress have put the priority on passing tax breaks for multimillionaires and big corporations. The Democrats understand that it is more important to put our priority on the things that make a difference for the middle class and working families—good schools, health care, a clean environment, and twenty-first century infrastructure.”  
**56% convincing (41% very)**

## Message Box

| Us on Us  | Them on Us  |
|---|---|
| <p>We need to invest in the foundation of a rock-solid America.</p> <p>Public investment is critical for America to compete in the global economy.</p> <p>Invest in our people: health care for all, world-class education, and well-paying green-collar jobs.</p> <p>Modernize our infrastructure: from roads to high-speed trains, from bridges to broadband.</p> | <p>Same old tax-and-spend policies of the past, wasting your money on unnecessary pork projects.</p>  |
| Us on Them  | Them on Them  |
| <p>Because they scorn government, they squander resources on “bridges to nowhere,” on crony corporations like Halliburton, on subsidies for their contributors – even as they cut investments in areas vital to our future.</p> <p>America is literally falling apart on their watch, with bridges collapsing, levees failing and schools crumbling.</p>            | <p>We need to get spending under control, and rein in runaway government.</p> <p>Eliminate waste fraud and abuse.</p> <p>Stop the earmarks and get rid of the pork.</p> |

## Additional Resources

American Society of Civil Engineers, "Report Card for America's Infrastructure."  
<http://www.asce.org/reportcard/2005/index.cfm>

Map of unsafe and deficient U.S. bridges  
<http://www.msnbc.msn.com/id/21840954/>

Pre-K benefits:  
<http://www.preknow.org/advocate/factsheets/benefits.cfm>

## Endnotes

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- <sup>1</sup> The Big Con blog, Campaign for America's Future. <http://www.ourfuture.org/blog-entry/sinking-feeling-chapters-iv-ixii-doh>
  - <sup>2</sup> Mike Rosenberg, "Leaky school roofs may be plugged," D.C. Examiner, 23 November 2007. [http://www.examiner.com/a-1064180~Leaky\\_school\\_roofs\\_may\\_be\\_plugged.html](http://www.examiner.com/a-1064180~Leaky_school_roofs_may_be_plugged.html)
  - <sup>3</sup> American Society of Civil Engineers, "Report Card for America's Infrastructure."  
<http://www.asce.org/reportcard/2005/index.cfm>
  - <sup>4</sup> U.S. Census Bureau, American Community Survey, "Average Travel Time to Work of Workers 16 Years and Over Who Did Not Work at Home." Census provides one-way commutes; we doubled it. <http://www.census.gov/acs/www/Products/Ranking/2002/R04T040.htm>
  - <sup>5</sup> American Society of Civil Engineers, "Report Card for America's Infrastructure."  
<http://www.asce.org/reportcard/2005/index.cfm>
  - <sup>6</sup> "Fact Sheets: The Benefits of High-Quality Pre-K" Pre[k]now, 2008.  
<http://www.preknow.org/advocate/factsheets/benefits.cfm>
  - <sup>7</sup> United States Department of Education, National Center for Education Statistics. *Digest of Education Statistics, 2007*. [http://nces.ed.gov/programs/digest/d06/tables/dt06\\_319.asp](http://nces.ed.gov/programs/digest/d06/tables/dt06_319.asp). (Adjusted for 2007 dollars)
  - <sup>8</sup> "The Skewed Benefits of Tax Cuts," Center on Budget and Policy Priorities," 4 February 2008. <http://www.cbpp.org/2-4-08tax.htm>
  - <sup>9</sup> "State Children's Health Insurance Program (SCHIP): Reauthorization History," The Kaiser Commission on Medicaid and the Uninsured, January 2008.  
<http://www.kff.org/medicaid/upload/7743.pdf>
  - <sup>10</sup> Amy Belasco, "The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9.11," CRS Report for Congress, 9 November 2007.  
<http://www.fas.org/sqp/crs/natsec/RL33110.pdf>
  - <sup>11</sup> U.S. Department of Education, National Center for Education Statistics, 2004-05 and 2005-06 Integrated Postsecondary Education Data System (IPEDS), Fall 2004, Fall 2005, Spring 2005, and Spring 2006. [http://nces.ed.gov/programs/digest/d06/tables/dt06\\_320.asp](http://nces.ed.gov/programs/digest/d06/tables/dt06_320.asp)
  - <sup>12</sup> The 2008 Statistical Abstract. Education: Elementary and Secondary Education: Staff and Finances. Table 245. Average Salary and Wages Paid in Public School Systems: 1985 to 2005.  
<http://www.census.gov/compendia/statab/tables/08s0245.pdf>
  - <sup>13</sup> "State Children's Health Insurance Program (SCHIP): Reauthorization History," The Kaiser Commission on Medicaid and the Uninsured, January 2008.  
<http://www.kff.org/medicaid/upload/7743.pdf>

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- <sup>14</sup> “Raising the Grades: Small Steps for Big Improvements in America’s Failing Infrastructure. An Action Plan for the 100<sup>th</sup> Congress. 2007. <http://www.asce.org/reportcard/2005/actionplan07.cfm>
- <sup>15</sup> *Fortune* Magazine, Jan. 14-16, 2008. <http://www.pollingreport.com/budget.htm>
- <sup>16</sup> Associated Press/Ipsos Public Affairs poll. Feb. 4-6, 2008. <http://www.pollingreport.com/budget.htm>
- <sup>17</sup> Greenberg, Quinlan Rosner for USAction, January 22-28, 2008. <http://www.usaction.org/site/pp.asp?c=eiJPJ5OVF&b=3892097>
- <sup>18</sup> Peter Hart Research for Americans United for Change, September 2007

# Shared Prosperity

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## ***The Problem***

No one likes to pay taxes. Bush and the Republican Congress have manipulated that sentiment to pass new tax cuts every year, even in the midst of a war. In doing so, they've made taxes less fair, festooned the tax code with loopholes, and racked up staggering debt – primarily to the benefit of corporations and the wealthy. Millionaires got an average \$118,000 annual break from the Bush tax cuts, while middle-income households got only \$740.<sup>1</sup> Hedge fund billionaires pay taxes at lower rates than their receptionists. Corporations get tax breaks for moving jobs abroad. Oil companies pocket billions in subsidies and tax breaks while racking up the largest profits in corporate history. This doesn't make sense.

Bush and Republicans passed tax cuts when the economy was good and the budget in surplus. They passed tax cuts when the economy was lousy, the country at war, and the budget in deficit. Now they want to make the Bush tax cuts permanent, busting a \$3 trillion dollar hole in the budget over the next 10 years.

In fact, tax cuts for the wealthy don't help our economy. Global corporations and wealthy investors are betting against the dollar, moving jobs and investments abroad. With the cost of the war approaching \$1 trillion, tax cuts force reductions in vital domestic investments — repairing bridges and levees, modernizing water systems, and investing in research and development. Our schools are crumbling, the president wants deep cuts in Medicare and health care for children, we're importing toxic toys and our communities lack the funds they need for police and fire protection. Our government is choking off basic functions and services, justified in part by anti tax ideology.

## ***The Reason***

Pick a problem, any problem and Bush and his allies have the same solution: tax cuts. Economy doing poorly, cut taxes. Economy doing well, cut taxes.

When Republicans say tax cuts, hold on to your wallets. The Bush tax cuts go to the wealthiest Americans and the most powerful corporations. They talk about trickle down and economic growth, but it never turns out that way. They get the money. We get debts, deficits and potholes in the streets.

## The Solution

It's time for major tax reform. We need to end tax cuts for the wealthy that shift the burden onto working people. We need to close corporate loopholes and tax breaks that reward companies for sending jobs overseas. We need to shut down the scam that allows billionaires to pay lower tax rates than their secretaries. Give middle-income families a break with a larger child tax credit and a tax credit to help pay tuition for children in college.

The people have figured this out. More than half (56%) say their main frustration with taxes is that they are “unfair – a bigger burden on the middle class than the wealthy.” Only 39% say taxes are simply “too high.”

## Telling the Story

### ◆ Stories to Look for

- ◆ Police officer, teacher, nurse, or firefighter paying a higher tax rate than hedge fund billionaires
- ◆ Family whose increased cost of gas and home heating are far greater than tax break from Bush

### Spotlight Story

When Sherrod Brown took Mike DeWine's Ohio U.S. Senate seat in 2006, he ran television ads that asked: “Did you get that big tax break Mike DeWine's been bragging about?”

Hedge fund manager billionaire Warren Buffet presently pays taxes at a lower rate than his receptionist (18% v. 30%) without offshore tax shelters or other devices he declines to use.<sup>2</sup> Buffet has called the rates “welfare” that “tilt the tax scales toward the rich.”

*Washington Post, May 2003*<sup>3</sup>

## Hot Facts

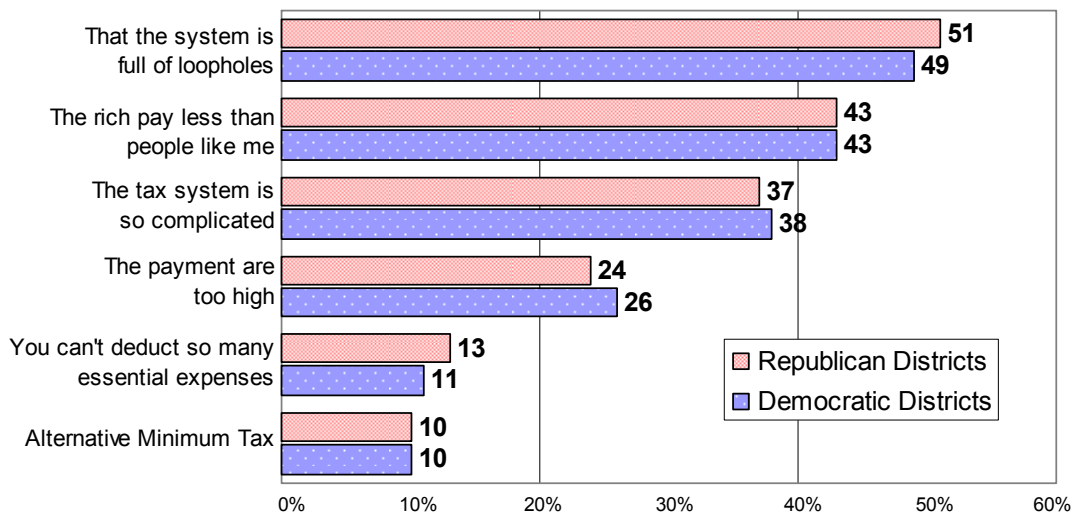
- ◆ **Republican tax cuts go mostly to wealthy people who don't need the money and increasingly invest it abroad.**
  - ◆ Millionaires (three-tenths of one percent of households) received an annual tax break of \$118,000 on average, from tax cuts enacted since 2001. Middle income households received tax cuts averaging \$740.<sup>4</sup>
  - ◆ People with incomes in the bottom 20% got one dollar from the Bush tax cuts for every \$290 for people in the top 20%.<sup>5</sup>
  
- ◆ **Tax cuts are not an economic growth strategy.**
  - ◆ The economic “recovery” that began in 2001 was among the weakest since World War II. Investment, wage and salary, and employment growth were significantly weaker than during the 1990s.<sup>6</sup>
  - ◆ Bill Clinton raised taxes on the wealthy to help balance the budget and the economy grew for all Americans. George Bush cut taxes on the rich and drove the budget into record deficits. We are entering our second recession during his tenure – with mediocre performance in between recessions.
  - ◆ Oil companies get \$14 billion dollars worth of subsidies and tax breaks, even when company profits are at record highs.<sup>7</sup>
  
- ◆ **Tax cuts don't pay for themselves.**
  - ◆ Tax cuts were the single largest contributor to the Bush administration's \$2.3 trillion deficit between 2001 and 2006. Tax cuts added more debt (51%) than increased spending on defense and homeland security (33%) and all entitlement programs (10%).<sup>8</sup>
  - ◆ Bush's claim that tax cuts pay for themselves is contradicted by the historical record and by his own economists.
    - “You cut taxes and the tax revenues increase.” — President Bush, February 8, 2006.<sup>9</sup>
    - Edward Lazear, chair of President's Bush's Council of Economic Advisers: “I certainly would not claim that tax cuts pay for themselves.”
    - N. Gregory Mankiw, President's Bush's former chair of Council of Economic Advisers and Harvard economics professor: Saying tax cuts pay for themselves is like a “snake oil salesman trying to sell a miracle cure.”
  
- ◆ **They call the estate tax a “death tax” and claim it hurts family farmers. That's absurd. It's a tax on the wealthiest estates in the world, which have accumulated millions in tax-free accounts.**
  - ◆ Presently, the estate tax only applies to estates in excess of \$2 million (\$4 million for a couple). In 2009 the threshold is scheduled to increase to \$3.5 million (\$7 million per couple).<sup>10</sup>
  - ◆ Only 0.5% of estates pay any tax at all.<sup>11</sup>

## Public Pulse

- ◆ **People are more frustrated that taxes are unfair than that they're too high. They want equity more than "relief."**
  - ◆ Fewer than one third (29%) of Americans believe the distribution of income and wealth in the U.S. is "fair." People say that corporations and upper-income people pay "too little" in taxes while middle- and lower-income people pay "too much."<sup>12</sup> (*Gallup, April 2007*) Two thirds (66%) want more even distribution.<sup>13</sup> (*Gallup, January 2008*)
  - ◆ In a landmark survey in December 2007, Democracy Corps polled likely voters in the "battleground" – 65 competitive congressional districts, 25 held by Democrats, 40 by Republicans. In choices between paired statements, they found voters are more frustrated that taxes are unfair than that taxes are too high:<sup>14</sup> (*Greenberg Quinlan Rosner Research, December 2007*)
    - "I'm mainly frustrated that taxes are unfair – a bigger burden on the middle class than the wealthy." 56% agree (45% strongly)
    - "Main frustration is taxes are too high, period." 39% agree (32% strongly)
  - ◆ People are particularly concerned about loopholes and inequality. The December 2007 Democracy Corps survey in competitive congressional districts showed that these bother voters twice as much as high payments.<sup>15</sup> (*Greenberg Quinlan Rosner Research, December 2007*)

### What bothers people about the federal income tax (top two choices)

Source: Democracy Corps survey of likely voters, December 2007.<sup>16</sup>



- ♦ Voters think the Bush tax cuts helped the wealthy more than the economy as a whole. The December 2007 Democracy Corps survey revealed this in both Democratic and the Republican-held districts.<sup>17</sup> (*Greenberg Quinlan Rosner Research, December 2007*)
  - “President Bush’s cuts have not been worth it, because they only helped the wealthy and did not benefit the middle or lower classes.” 55%
  - “President Bush’s tax cuts have been worth it, because they have helped strengthen the economy by allowing Americans to keep more of their own money.” 40%
- ♦ Voters in these swing districts prefer fairer taxes over making all Bush’s cuts permanent:<sup>18</sup> (*Greenberg Quinlan Rosner Research, December 2007*)
  - “The middle-class tax cuts passed under President Bush should be made permanent but those for the wealthy and big business should be left to expire in 2010.” 56% (41% strongly)
  - “All tax cuts passed under President Bush should be made permanent.” 35% (27% strongly)

## Message Box

| Us on Us  | Them on Us  |
|---|---|
| <p>We need to shut down loopholes and roll back tax breaks for the wealthy so we can give hard-working families a break, and invest in areas vital to our economy – health care, our children, protection for our communities and repairing unsafe roads and bridges.</p>   | <p>They’re going to raise your taxes because they think they know best how to spend your money. This will hurt the economy and punish families.</p>   |
| Us on Them  | Them on Them  |
| <p>Cutting taxes on the wealthy and carving loopholes for their cronies, hasn’t built an economy that works for working families, while doubling the national debt and contributing to the worst inequality since the Gilded Age.</p> <p>Companies get a tax breaks for moving jobs abroad. Oil companies get billions in tax breaks while their profits go through the roof.</p> | <p>Pro-growth tax cuts stimulate the economy and ultimately pay for themselves.</p> <p>We should reward success rather than punishing it.</p> <p>We believe that you know best how to spend the money you earn.</p> |

## Additional Resources

“Tax Cuts: Myths and Realities,” Center on Budget and Policy Priorities, 16 November 2007:  
<http://www.cbpp.org/9-27-06tax.htm>

Aviva Aron-Dine, “The Skewed Benefits of the Tax Cuts,” Center on Budget and Policy Priorities, 4 February 2008: <http://www.cbpp.org/2-4-08tax.htm>

“Citizens for Tax Justice Factsheet,” Citizens for Tax Justice, 30 January 2008:  
<http://www.ctj.org/pdf/bushtaxcutssmallerthanclaimed.pdf>

“Trickle-Down Economics: Four Reasons Why It Just Doesn't Work,”  
<http://www.faireconomy.org/research/TrickleDown.html>

## Endnotes

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- <sup>2</sup> Tomoeh Murakami Tse, “Buffett Slams Tax System Disparities Speech Raises at Least \$1 Million for Clinton Campaign,” *Washington Post*, 27 June 2007  
<http://www.washingtonpost.com/wp-dyn/content/article/2007/06/27/AR2007062700097.html?hpid=sec-politics>
- <sup>3</sup> Warren Buffett, “Dividend Voodoo,” *Washington Post*, 20 May 2003  
<http://www.washingtonpost.com/ac2/wp-dyn?pagename=article&node=&contentId=A13113-2003May19>
- <sup>4</sup> “Tax Cuts: Myths and Realities,” Center on Budget and Policy Priorities, 16 November 2007.  
<http://www.cbpp.org/9-27-06tax.htm>, according to estimates by the Urban Institute-Brookings Institution Tax Policy Center. The president says his tax cuts are worth an “average of \$1,800.” That’s a statistical game. The tax breaks for millionaires brings the “average” up, just like Bill Gates walking into a bar brings the “average” income of everyone in the bar up by millions. See <http://www.ctj.org/pdf/bushtaxcutssmallerthanclaimed.pdf>
- <sup>5</sup> Ibid
- <sup>6</sup> Aviva Aron-Dine, “Extending the President’s Tax Cuts and AMT Relief Would Cost \$4.3 Trillion Through 2018,” Center on Budget and Policy Priorities, 1 Feb 2008  
<http://www.cbpp.org/1-31-07tax.htm>
- <sup>7</sup> Friends of the Earth. <http://www.foe.org/new/releases/January2006/exxontaxbreaksfactsheet.pdf>
- <sup>8</sup> “Tax Cuts: Myths and Realities,” Center on Budget and Policy Priorities, 16 November 2007.  
<http://www.cbpp.org/9-27-06tax.htm>. Domestic discretionary programs added 6%
- <sup>9</sup> “President Discusses 2007 Budget and Deficit Reduction in New Hampshire,” Office of the Press Secretary, 8 February 2006. <http://www.whitehouse.gov/news/releases/2006/02/20060208-7.html>
- <sup>10</sup> Joel Friedman and Aviva Aron-Dine, “The State of the Estate Tax as of 2006,” Center on Budget and Policy Priorities, 6 June 2006. <http://www.cbpp.org/5-31-06tax2.htm>
- <sup>11</sup> Ibid

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<sup>12</sup> “Gallup's Pulse of Democracy Taxes and Tax Cuts,” Gallup Inc., 5 April 2007.  
<http://www.gallup.com/poll/1714/Taxes.aspx>

|            | Lower-income people | Middle-income people | Upper-income people | Corporations |
|------------|---------------------|----------------------|---------------------|--------------|
| Fair share | 34                  | 44                   | 21                  | 19           |
| Too much   | 45                  | 47                   | 9                   | 5            |
| Too little | 17                  | 7                    | 66                  | 71           |

<sup>13</sup> Dennis Jacobe, “Increasing Momentum for Economic Populism: Lower-Income Americans More Likely to be Financially ‘Worse Off’ Than Year Ago,” Gallup Inc., 7 January 2008.  
<http://www.gallup.com/poll/103609/Increasing-Momentum-Economic-Populism.aspx> ;  
<http://www.gallup.com/video/27217/Income-Gap.aspx>

<sup>14</sup> “Democracy Corps Battleground Frequency Questionnaire,” Greenberg Quinlan Rosner Research, 10-13 December 2007. p. 9, <http://www.democracycorps.com/wp-content/uploads/011508fqbattlegroundtaxes.pdf>

<sup>15</sup> Ibid. p. 8

<sup>16</sup> Ibid

<sup>17</sup> Ibid. p. 9

<sup>18</sup> Ibid. p. 10

# Fair Trade

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## ***The Problem***

The U.S. is getting played in the global market, and the policies of the Bush administration have only made matters worse. Americans are the hardest working and most productive workers in the world.<sup>1</sup> The rules of the trading system and our own government's policies are created by, for, and of multinational corporations and banks. Working families pay the price in lost jobs, declining wages, and eroding health care and pensions. Communities hollowed out by plant closings lose their tax base and can't support quality schools and infrastructure.

We are digging ourselves into a hole. We're borrowing money from abroad – increasingly from Chinese and Japanese bankers – to pay for goods made overseas by jobs our multinational companies took over there. Our failed global economic strategy contributed to the loss of one out of every six manufacturing jobs – 3.4 million in all – over the last seven years.<sup>2</sup> First, textile, shoe, and toy jobs were shipped abroad. Now we're losing more advanced manufacturing – including autos and computers. Our trade deficit in advanced technology products is growing rapidly. It won't stop there. Economist Alan Blinder estimates up to 40 million jobs – including services from scientific research to typists – could potentially be offshored.

Meanwhile, more and more of the products we import are unsafe. Our children are at risk from imported toxic toys containing dangerous levels of lead. Other unsafe products – like defective passenger tires, tainted pharmaceutical products, counterfeit brake pads, and faulty steel for skyscrapers and power plants – have found their way into our marketplace, as President Bush and Republicans in Congress rail against regulation and slash the budget of our consumer protection agencies.

## ***The Reason***

Americans work harder and longer than workers in any other industrial nation. The dollar is the international currency; English is the world's language; American music and films are popular around the world. Why are we in this hole?

Because we have pursued a global economic strategy designed by and for the multinational corporations and banks – a strategy for Wall Street, not for Main Street.

Our trade agreements protect corporate rights, but do little to protect the rights of consumers or workers or the environment. Multinationals get tax breaks to move jobs abroad. They take our technologies and our inventions and our jobs abroad, where they take advantage of workers with few protections and governments that won't enforce their laws. They are leading a global race to the bottom in wages and environmental devastation.

Furthermore, mercantilist nations like China peg their currencies at low levels to capture export markets. This devastates our domestic manufacturing and exacerbates problems in tradable services (a category that now covers everything not nailed to the floor).

## **The Solution**

We need a new strategy in the global economy – a strategy for this nation, not for the multinationals.

When you're in a hole, stop digging. No more flawed free trade agreements like NAFTA. No fast track without accountability and an overhaul of the negotiation process. It's time to stop passing corporate trade deals until we have a new national strategy for the global economy that works for working people. And it's time to start enforcing the trade laws and protections that we have on the books.

The national strategy has many elements. First, start at home with a new industrial strategy. We should launch a concerted national drive to invest in energy independence. We can generate millions of jobs here, develop new technologies, address global warming, and help capture the green industries of the future.

Second, we need to rebuild America, providing a modern infrastructure – from roads to high-speed trains, from bridges to broadband – that makes this the best place to do business.

Third, the U.S. government should take the necessary steps to end unfair subsidies and currency manipulation, and should eliminate tax breaks that reward companies that send jobs overseas.

Fourth, we need an entirely new set of trade rules and institutions that puts a priority on creating good jobs at home – and fosters sustainable, democratic, and equitable development abroad. We need rules that help raise up standards and wages abroad, rather driving them down here. We can start by requiring trade accords enforce workers' fundamental human rights and international environmental standards. We need to revoke provisions that restrict governments from serving the public interest, from using tax dollars to promote legitimate social objectives, or from making life-saving medicine affordable to their citizens. And we need an executive branch that will enforce these laws.

Fifth, we need national health care reform so that providing quality health care to employees doesn't create global competitive disadvantages.

Sixth, we need to insure that the profits and productivity generated that workers help to generate are widely shared, by restoring the right to organize and bargain collectively starting with passage of the Employee Free Choice Act.

Finally, in the new world of unregulated global finance, we will have to develop global rules to limit destabilizing speculation and to encourage longer term real investment. We'll need to develop global rules to help police emerging financial institutions from hedge funds to sovereign investment funds.

## Telling the Story

### ◆ Stories to Look for

- ◆ Workers who have lost jobs from outsourcing – manufacturing and service industries, low-skill and high-skill jobs – without sufficient support to regain footing
- ◆ Outsourced workers who had to train their replacements
- ◆ Companies who said trade agreements would protect jobs, then moved local jobs offshore

### Spotlight Story

Despite assuring local employees just over a year ago that the approval of the Central American Free Trade Agreement (CAFTA) would secure their jobs, Jockey International announced last week that sewing operations at the Millen facility would be permanently terminated. Approximately 203 workers will lose their jobs to overseas counterparts.

The company's decision to terminate the local sewing operation drew the wrath of 12th District Congressman John Barrow who issued a statement last week slamming Jockey executives for the action.

"It's outrageous to see that after 55 years, Jockey has decided to turn its back on Millen, Jenkins County, and eastern Georgia – leaving 203 hard working families to pick up the pieces. Adding insult to injury, Jockey plans to outsource jobs to Jamaica, Honduras, Costa Rica and El Salvador, many of the countries included in the CAFTA," said Cong. Barrow.

The congressman went on to explain that top executives from Jockey came to his office just last year and lobbied for his approval of CAFTA, which was coming up for a House vote.

"They looked me in the eye, and told me that a vote for CAFTA was a vote to protect jobs in Millen. Now the very same people whose jobs they claimed to be protecting will be out of work," Cong. Barrow said.

Ed Emma, Jockey president and chief operating officer, explained the impact of the Congressional CAFTA vote on the Millen plant:

"The free trade agreements allow this plant to stay here." Emma said, "Jockey International currently has two plants operating in Jamaica, one in Honduras and one in Costa Rica. The local plant provides cut parts to these offshore plants duty-free under the Caribbean Basin Trade Pact (CBTP). These plants then return the finished goods to the U.S., also duty-free. The CBTP expires in 2008 at which time Jockey would begin paying tariffs on its goods exported to the area."

"CAFTA would make the duty-free trading permanent," said Emma. "This agreement is very important for this plant, Georgia and the U.S."

*Millen News (Millen, GA), July 26, 2006<sup>3</sup>*

## Hot Facts

### ◆ **They've created a trade strategy for the multinationals, not middle-class families.**

About one-half of all U.S.-owned manufacturing production is now located abroad.<sup>4</sup>

- ◆ The U.S. trade deficit has almost doubled since Bush took office – up to \$712 billion in 2007 from \$363 billion in 2001.<sup>5</sup>
- ◆ The manufacturing sector has lost 3.4 million jobs – one out of every six manufacturing jobs – since 2000, the worst decline since the demobilization after World War II. Many of these jobs have gone overseas.<sup>6</sup>

### ◆ **Our entire economy is falling behind. And it won't stop with manufacturing.**

- ◆ Most research initiatives by the U.S. telecom industry now take place in foreign countries.<sup>7</sup>
- ◆ An estimated 40 million U.S. jobs are potentially offshorable, including scientists and mathematicians, telephone operators and typists.<sup>8</sup>

### ◆ **As we lose millions of jobs, we import millions of dangerous products.**

- ◆ Over 20 million toys from China were recalled this year because of lead and other hazards.<sup>9</sup>
- ◆ While imports from China have exploded, the budget and staff of our product safety agencies have been slashed.<sup>10</sup>

### ◆ **The overall American economy is in hock to foreign governments. They lend us the money to buy the goods they make, with the jobs our companies have sent to them.**

- ◆ America must borrow or sell off assets worth \$2 billion a day to cover our global trade deficits.<sup>11</sup>
- ◆ Foreign governments hold more than \$2 trillion of our debt, led by Japan, China, the U.K. and the oil exporting nations of OPEC.<sup>12</sup>
- ◆ Massive trade deficits are fattening up “sovereign wealth funds” run by foreign governments in Asia and the Middle East, which are buying up U.S. banks on the cheap.

## Public Pulse

- ◆ **Uneasiness persists concerning the impact of globalization.**
  - ◆ 87% of voters are concerned about outsourcing.<sup>13</sup>  
*(Foreign Affairs, May/June 2006)*
  - ◆ 81% of voters gave the government a C, D, or F in its handling of outsourcing.<sup>14</sup> *(Foreign Affairs, May/June 2006)*
  - ◆ 63% believe international trade has “made things worse” for the U.S. and causes job loss and low wages.<sup>15</sup> *(Fortune Magazine, January 2008)*
  
- ◆ **Americans want to keep jobs in America, but wonder if anything can be done.**
  - ◆ The public rates protecting American jobs as nearly as important as defending the country against terrorism (86% terrorism, 84% jobs).<sup>16</sup> *(The Pew Research Center for People and the Press, November 2005)*
  - ◆ 52% of Americans believe it is unrealistic to think that the government can do anything to stop corporations from sending jobs abroad.<sup>17</sup>  
*(Foreign Affairs, May/June 2006)*
  - ◆ 44% said they believe the U.S. government could do a lot to prevent jobs from moving overseas if it really tried.<sup>18</sup> *(Foreign Affairs, May/June 2006)*
  
- ◆ **Support is strong for fair trade that puts the middle class first.**
  - ◆ 84% favor tax incentives for companies that relocate to where jobs have been lost to trade.
  - ◆ 82% favor trading only with countries that ban child labor.
  - ◆ 78% favor trading only with countries that meet clean air and water standards.
  - ◆ 51% favor trading only with countries where workers can organize.<sup>19</sup>  
*(Fortune Magazine, January 2008)*
  
- ◆ **Fair trade resonates with Republican voters.**
  - ◆ 59% of Republican primary voters say “Foreign trade has been bad for the U.S. economy”.<sup>20</sup> *(Wall Street Journal, October 2007)*
  - ◆ Republican voters considering a vote for a Democratic candidate cite “trade agreements” as the top reason not to vote Republican.<sup>21</sup> *(“Re: The Meltdown Election,” memo to “Friends of Democracy Corps”, November 2006)*

## Message Box

| Us on Us  | Them on Us   |
|---|--|
| <p>We can't keep selling off America. When you're in a hole, stop digging. No more NAFTAs.</p> <p>We need to end the race to the bottom and start by requiring that trade accords protect core worker rights, consumer safety, and our environment.</p> <p>Compete globally by investing in America: modern infrastructure, quality education, energy independence, and innovative research.</p> <p>Enforce our trade laws to protect workers and domestic producers from unfair trade practices.</p> | <p>This is just more protectionism. They want to turn their backs on the world. But trade barriers will slow our economy, shed jobs and raise prices. They don't think you can compete in the open market.</p> |
| Us on Them  | Them on Them   |
| <p>They've created a trade strategy for the multinationals, not for the nation. For Wall Street, not Main Street.</p> <p>It makes no sense to export good jobs abroad, then import toxic toys that go uninspected.</p> <p>They are leading a global race to the bottom in wages and environmental devastation.</p> <p>They have failed to put teeth in trade deals and enforce the rules. It's time for new leadership.</p>   | <p>Americans can compete and win in the global market place.</p> <p>Reduce barriers to trade, level the global playing field and build effective enforcement of global trading rules.</p>                      |

## Additional Resources

AFL-CIO: An Economy That Works For All  
<http://www.aflcio.org/issues/jobseconomy>

Campaign for America's Future: An Economy for All  
<http://ourfuture.org/economy>

"Costly Trade With China: Millions of U.S. jobs displaced with net job loss in every state,"  
Robert E. Scott, Economic Policy Institute  
<http://www.epi.org/content.cfm/bp188>

"Documenting the Evidence of the Failed NAFTA-WTO 'Trade' Model," Public Citizen  
[http://www.citizen.org/documents/FLYERO\\_1.pdf](http://www.citizen.org/documents/FLYERO_1.pdf)

"Globalization and American Wages," L. Josh Bivens, EPI  
<http://www.epi.org/content.cfm/bp196>

"Off-Shore Outsourcing Rising Rapidly Up the Income and Skill Ladder," Public Citizen  
<http://www.citizen.org/documents/FactSheetonOutsourcing2007.pdf>

"NAFTA & the US: Facts & Figures," Economic Policy Institute  
<http://www.epi.org/newsroom/releases/2006/09/NAFTA-US.pdf>

"Revisiting NAFTA: Still not working for North America's workers," EPI  
<http://www.epi.org/content.cfm/bp173>

Polling Report data on trade: <http://www.pollingreport.com/trade.htm>

Bob Kuttner, *The Squandering of America*. New York: Alfred A. Knopf, 2007

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  - <sup>4</sup> Jeff Faux, "Globalization that Works for Working Americans," *EPI Briefing Paper #179*, 11 January 2007. <http://www.sharedprosperity.org/bp179.html>
  - <sup>5</sup> U.S. Census Bureau Foreign Trade Statistics, FT900: U.S. International Trade in Goods and Services, February 14 2008. [http://www.census.gov/foreign-trade/Press-Release/current\\_press\\_release/press.html](http://www.census.gov/foreign-trade/Press-Release/current_press_release/press.html)

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- <sup>7</sup> "An analysis of 57 recent major research initiatives of the U.S. telecommunications industry showed that all but five were located outside the U.S." See Jeff Faux, "Globalization that Works for Working Americans," *EPI Briefing Paper #179*, 11 January 2007. <http://www.sharedprosperity.org/bp179.html>
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# Why Unions?

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## ***The Problem***

“Unions,” as the bumper sticker says, “brought you the weekend.” In fact, unions did more than win the 40-hour week. They brought America the wages and benefits that helped build the broad middle class that is the hallmark of America’s success. And today, the fortunes of that middle class are still tied to the future of the union movement.

Before the Great Depression, when America suffered the glaring inequality that it is once more witnessing today, unions were relatively weak. In the early part of the century, worker organizing was literally against the law. As part of FDR’s New Deal, Congress passed legislation in 1935 to protect workers’ right to form unions and bargain collectively.

Government put its support behind organizing so workers could win better wages – and help generate the demand needed to get the economy moving. For a generation, workers across the country bargained with their employers for better wages, benefits and working conditions. Union agreements forged the private social contract that was the foundation of the middle class – jobs that paid a living wage, with decent hours, paid vacations, health care and pensions. There were disputes and strikes, but a rough balance of power between workers and their unions on one side and employers on the other insured that workers could capture a fair portion of the profits and productivity they generated.

Union density was relatively high throughout this period – over one-third of the private sector workforce in the 1950s – and unions set the standard for wages and benefits in the non-union sector as well. As a result, wages advanced with productivity, economic inequality declined, and we grew together as a nation.

Today, however, this balance of power has eroded and the social contract with American workers is unraveling. Since 1973 we have grown increasingly apart – economically, socially and politically. Since 1980 labor productivity has increased over 80 percent, while the real median wage has increased only 2 percent.

The result has been an enormous redistribution of income – perhaps the largest in our history. America today has the most unequal distribution of income and wealth of any developed country in the world. And wage stagnation has forced employees to work longer hours at more jobs, while families send more family members into the workforce.

The de-linking of productivity and wages over the past 30 years has many causes, but central to all of them is the steadily growing imbalance in bargaining power between workers and their employers. Today only 12 percent of all workers, and less than 8 percent of the private sector workforce, belong to unions – not because they don’t want to join unions, but because corporate America has made joining a union all but impossible.

The decline in union density aggravates income inequality not only directly, but also by diminishing the influence of working people through their unions in shaping public policy. Partly because of labor's weakened political clout, the buying power of the minimum wage has fallen steadily and tax policy has increasingly favored the rich, leaving less government revenue to invest in health care, education, and other public programs benefiting the middle-class.

CEOs have used this imbalance of power to shred the old social contract – more and more break promises on health care and pensions, lower company contributions and put more burdens on workers, if they provide them at all. And the many other social and economic benefits of a strong labor movement are threatened by the continuing decline in union density: high-quality job training programs; transparency in hiring; increased compliance with civil rights, minimum wage, overtime, and workplace safety laws; protections against arbitrary termination; improved access to unemployment insurance, workers' compensation and trade adjustment assistance; mitigation of race and gender pay inequity; and paid lunch breaks, paid sick days, paid vacations, and paid holidays, just to name a few.

Now Americans fear the middle class is losing ground. And central to that reality has been the decline in the unions that built that middle class from the start.

## ***The Reason***

There are a number of reasons for the decline in union density, but the most important reason is that the current system for forming unions and bargaining is broken, purposefully shredded by corporations and abetted by conservatives in government.

Some 60 million working people in America say they would join a union if they could – over half of non-union, non-management employees. But every day, corporations deny employees the freedom to decide for themselves whether to form unions to bargain for a better life.

Under the National Labor Relations Board's "election" process, management retains overwhelming power to influence the outcome by intimidating workers through means both legal and illegal. Management routinely intimidates, harasses, coerces, and even fires people who support the union, and the penalties for violating workers' rights are virtually non-existent. The labor board's so-called secret ballot elections take place in a highly coercive environment that more closely resembles plebiscites under a dictatorship than a functioning democracy.

Meanwhile, the law that is supposed to protect workers' right to form unions and bargain collectively is widely viewed as doomed, dying or dead. Decades of anti-worker decisions by anti-worker courts and an anti-worker labor board have made a mockery of the law's theoretical protections for workers.

Not surprisingly, workers have largely abandoned the labor board's election process in favor of the less conflict-ridden and less coercive process known as "majority sign-up" or "card check," in which a majority of workers sign cards authorizing the union to bargain on their behalf and then ask management to recognize their union. This form of organizing, which has always been legal, is how millions of workers form unions today, yet current law allows workers to form unions in this way only if management agrees.

## ***The Solution***

When Ronald Reagan came to office in 1980 and crushed the air controllers' strike, he signaled open season on unions. Companies routinely violate workers' rights with virtual impunity. Now it is time to put government back on the side of working people, to help challenge the imbalance of power that now exists.

At the least, government should ensure that all working people are guaranteed the freedom to make their own choice about whether to have a union and bargain for better wages and benefits.

As a preliminary matter, legislation is needed to correct some of the anti-worker decisions of the courts and the labor board over the years. But tinkering at the margins will not begin to address the magnitude of the problem.

More far-reaching reform is required to restore workers' freedom to form unions and bargain collectively. The Employee Free Choice Act would help restore free choice by doing the following three things:

- ◆ Strengthen penalties against companies that coerce or intimidate employees;
- ◆ Establish mediation and binding arbitration when the employer and workers cannot agree on a first contract; and
- ◆ Enable employees to form unions when a majority express their decision to join the union by signing authorization cards.

Finally, we need the political leaders who will help bring about a sea change in attitudes among employers and the public at large. Today discriminating against and firing pro-union workers is often considered a routine part of doing business, and union busters literally have no shame. In a better America, discrimination against pro-union workers would carry the same social stigma as other forms of unacceptable discrimination. And political leaders would help people understand just how damaging it is to the entire economy, and to the strength of the middle class, if workers are not able to organize and bargain collectively.

# Telling the Story

## ◆ Stories to Look for

- ◆ Declining wages. Wage data is released monthly by the Bureau of Labor Statistics (BLS) and analyzed by Economic Policy Institute (EPI).
- ◆ Workers organizing to form unions. Often workers trying to form unions look for support from public officials.
- ◆ Union members mobilizing politically to pass worker-friendly legislation, such as increasing the minimum wage, extending unemployment benefits, achieving universal health care, and saving Social Security.
- ◆ Unions mobilizing politically to elect worker-friendly public officials and effect progressive public policy at all levels of government.
- ◆ Attacks on workers' bargaining rights at all levels of government.
- ◆ Attacks on workers' bargaining rights by anti-union employers.

### Spotlight Stories

“The *New York Times* recently reported that the earnings gap is the widest since 1928, with the richest one percent of Americans having captured most of the economy’s 2005 growth, and the bottom 90 percent getting nothing. Between 1979 and 2005, according to MIT professor Thomas Kochan, the productivity of American manufacturing rose by about 70 percent, but the real wages of production workers remained flat. The economic pummeling of ordinary Americans has many causes...but one of the big reasons is industry’s relentless assault on unions, an attack abetted or tolerated by most U.S. administrations for three decades. Unions not only raise wages for their members; they work for a fairer wage structure generally, both in their spillover influence on wider patterns of pay and in their political work for a fairer brand of capitalism.” Robert Kuttner, “State of the Unions,” *The American Prospect (online)*, April 1, 2007.

“The House of Representatives passed a bill last week that would strengthen the rights of employees to form unions...If Mr. Bush were, as he claims, truly concerns about rising income inequality and truly committed to improving the lives of America’s middle class, he would support the legislation and urge the Senate to approve it...Labor unions have a role to play in helping to fix today’s economic ills – most notably, worsening economic inequality, a problem that’s cause in part by unions’ decline and the workers’ resulting lack of bargaining power.” “The Right to Organize (Editorial),” *The New York Times*, March 6, 2007.

*You can find stories of workers’ experiences at*

<http://www.aflcio.org/joinaunion/voiceatwork/efca/shareyourstory.cfm>

## Hot Facts

- ◆ **Public support for labor unions has risen dramatically in recent years.**
  - ◆ According to the most recent poll,<sup>1</sup> Americans approve of unions by a 40 point margin – 65 percent to 25 percent.
  - ◆ By way of comparison, in August 1981 Americans approved of unions by only a 20 point margin – 55 percent to 35 percent.
  - ◆ Two-thirds (68 percent) of Americans say unions can still make a difference, while only 28 percent feel unions are no longer relevant.
  - ◆ Almost two-thirds (62 percent) of Americans say the disappearance of unions would have a negative effect on Americans' wages and benefits.
  
- ◆ **Union workers have higher wages and better benefits than non-union workers.<sup>2</sup>**
  - ◆ Wages for union workers are 30 percent higher than for non-union workers (\$833 median weekly earnings vs. \$642)
  - ◆ Wages are 31 percent higher (\$758 vs. \$579 median weekly earnings) for women union workers; 36 percent higher (\$707 vs. \$520) for African-American union workers; and 46 percent higher (\$686 vs. \$469) for Latino union workers.
  - ◆ Union workers are 63 percent more likely to have health insurance (80 percent of union workers have employer-provided health insurance vs. 49 percent of non-union workers).
  - ◆ Union workers are 386 percent more likely to have guaranteed pensions (68 percent of union workers have defined-benefit pension plans vs. 14 percent of non-union workers).
  - ◆ The union advantage in paid vacation days is 28 percent (15 days for union workers vs. 11.75 days for non-union workers).
  
- ◆ **More than half of all U.S. workers – nearly 60 million – say they would join a union right now if they could.<sup>3</sup>**
  
- ◆ **Employers routinely use legal and illegal tactics to interfere with their employees' free choice to form a union.<sup>4</sup>**
  - ◆ Employers illegally fire at least one worker for union activity in 25 percent of organizing campaigns.
  - ◆ The chances that an active union supporter will be illegally fired for union activity during an organizing campaign are one in five.
  - ◆ Seventy-five (75) percent of employers fight union organizing drives by hiring consultants or union busters.
  - ◆ Ninety-two (92) percent of employers force employees to attend mandatory closed-door meetings while denounce the union.

- ◆ Seventy-eight (78) percent of employers force employees to attend one-on-one meetings against the union with their own supervisor.
- ◆ Fifty-two (52) percent of employers threaten to call The U.S. Immigration and Naturalization Service during organizing drives that include undocumented employees.
- ◆ Fifty-one (51) percent of employers threaten to close the plant if the union wins the election, although only one (1) percent actually do close the plant.
- ◆ In FY 2005, 31,358 workers received back pay in cases alleging employer violations of worker rights under the National Labor Relations Act.

◆ **Americans support the Employee Free Choice Act by an overwhelming margin.**<sup>5</sup>

- ◆ Fully three-quarters (77 percent) say that it is important to have strong laws that give employees the freedom to make their own choice about whether to have a union, without interference from management.
- ◆ Over two-thirds (69 percent) of Americans support enactment of the provisions of the Employee Free Choice Act (EFCA).
- ◆ By a solid 14 percentage points (50 percent to 36 percent), a majority of Americans specifically favors the “majority sign-up” provision (also known as “card check”) of the Employee Free Choice Act.

## The Public Pulse

The strongest message frame for fixing the broken system for forming unions is within the larger context of economic challenges facing working Americans.

- ◆ **In December 2006 Hart Research surveyed 808 members of the general public and 382 union members.<sup>6</sup> A 53 percent majority strongly agrees with the following message frame.**

- ◆ Working people are struggling to make ends meet today, and America is in danger of seeing the middle class disappear. An important way to help average people get their fair share is to remove unfair barriers to union representation and collective bargaining. Workers in unions earn 28 percent higher wages on average, are 62 percent more likely to have employer health coverage, and four times as likely to have a pension. That is why we need legislation that strengthens protections for workers' freedom to choose union representation.

**Agree 53% (Disagree 19%)**

- ◆ **And the strongest argument for supporting the Employee Free Choice Act was the following economic argument.**

- ◆ “The legislation is expected to result in more workers being able to bargain with their employers for better wages, benefits, and working conditions.”

**80% reason to support EFCA (7 % reason to oppose EFCA)**

While this broad economic frame is powerful, the research also reveals that only 53 percent of the public knows that companies routinely resist unionization efforts by their employees.

- ◆ **Fortunately, the Hart poll found that Americans disapprove of employers conducting anti-union campaigns (67 percent disapprove, 36 percent strongly), an 11-point increase in opposition since 2001. Moreover, people object strongly to several common anti-union tactics, including the following.**

|  | Find this tactic unacceptable |
|--|-------------------------------|
| Fire employees who support the union   | 94%                           |
| Supervisors urge individual employees to vote against the union in one-on-one meetings | 82%                           |
| Warn that pay or benefits would be reduced if employees vote “yes”                     | 81%                           |
| Warn that vote for union could lead to company closing or layoffs                      | 66%                           |
| Send letters to employees' homes urging vote against union                             | 62%                           |
| Include anti-union literature in paycheck envelopes                                    | 53%                           |
| Require attendance at anti-union meetings  | 51%                           |

## Message Box

| Us on Us  | Them on Us   |
|---|--|
| <p>The freedom of working people to organize unions and bargain for a better life builds America’s middle class. Its erosion has lowered living standards for all U.S. workers, Today more than half of all non-union workers would join a union if they could. But companies routinely intimidate and coerce workers to keep them from forming unions and bargaining for higher wages and better benefits. We need to fix this system so workers who want to form unions and bargain collectively can do so without interference from management. The future of our middle class depends on it. We cannot solve income inequality or create an economy that works for all unless working people have a free choice to join together for a better future.</p> | <p>Unions have bankrupted several industries by making them uncompetitive, and are no longer relevant in a global economy. The reason unions want to make it easier to unionize is because they are losing members and they want to collect more union dues. Doing away with the secret ballot would allow unions to coerce workers into joining against their will.</p> |
| Us on Them  | Them on Them   |
| <p>Who are these “defenders of democracy and workers’ rights” who oppose the Employee Free Choice Act? They are anti-union employers who want to keep the status quo and interfere with workers’ free choice to form unions. Many of the opponents of the Employee Free Choice Act also oppose raising the minimum wage and other worker protections. They don’t want their employees to bargain collectively for better wages and benefits because they don’t want to share the gains from rising productivity. They profit from economic inequality.</p>  | <p>The right of workers <u>not</u> to join a union is just as important as their right to join a union. We must preserve the secret ballot, which is one of the hallmarks of American democracy, to ensure true freedom of choice.</p>   |

## Additional Resources

<http://www.aflcio.org/joinaunion/>

<http://www.aflcio.org/joinaunion/voiceatwork/efca/>

[www.americanrightsatwork.org](http://www.americanrightsatwork.org)

Human Rights Watch, *Unfair Advantage: Workers' Freedom of Association in the United States under International Human Rights Standards* (2000): <http://www.hrw.org/reports/2000/uslabor/>

Human Rights Watch, *Discounting Rights, Wal-Mart's Violation of U.S. Workers' Right to Freedom of Association* (2007): <http://hrw.org/reports/2007/us0507/>

House Education and Labor Committee, *Report on H.R. 800, The Employee Free Choice Act of 2007*: [http://frwebgate.access.gpo.gov/cgibin/getdoc.cgi?dbname=110\\_cong\\_reports&docid=f:hr023.110.pdf](http://frwebgate.access.gpo.gov/cgibin/getdoc.cgi?dbname=110_cong_reports&docid=f:hr023.110.pdf)

Testimony from Senate and House hearings on the Employee Free Choice Act:

Cynthia Estlund:

[http://www.aflcio.org/joinaunion/voiceatwork/efca/upload/EFCA\\_Estlund\\_20070327.pdf](http://www.aflcio.org/joinaunion/voiceatwork/efca/upload/EFCA_Estlund_20070327.pdf)

Nancy Schiffer: <http://edworkforce.house.gov/testimony/020807NancySchiffertestimony.pdf>

AFL-CIO, *The Silent War*: [http://www.aflcio.org/joinaunion/how/upload/vatw\\_issuebrief.pdf](http://www.aflcio.org/joinaunion/how/upload/vatw_issuebrief.pdf)

Harley Shaiken, *Unions, the Economy and Employee Free Choice*, Economic Policy Institute (2007): <http://www.sharedprosperity.org/bp181/bp181.pdf>

Chirag Mehta and Nik Theodore, *Undermining the Right to Organize: Employer Behavior During Union Representation Campaigns*, American Rights at Work, (2005):

<http://www.araw.org/docUploads/UROCUEDcompressedfullreport%2Epdf>

Gordon Lafer, *Free and Fair?: How Labor Law Fails U.S. Democratic Election Standards*, American Rights at Work (2005): <http://araw.org/docUploads/LaferFactSheetFINAL%2Epdf>

John Logan, "Consultants, Lawyers, and the 'Union Free' Movement in the USA Since the 1970s," *Industrial Relations Journal*, vol. 3, no. 3 (2002):

<http://www.araw.org/docUploads/Logan%2DConsultants%2Epdf>

Wilma Liebman, "Decline and Disenchantment: Reflections on the Aging of the National Labor Relations Board," *Berkeley Journal of Employment and Labor Law*, vol. 28:2 (2007).

## Endnotes

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<sup>1</sup> Peter D. Hart Research Associates, “Employee Free Choice Act,” December 2006.

<sup>2</sup> AFL-CIO, “The Union Difference”: <http://www.aflcio.org/joinaunion/why/uniondifference/>

<sup>3</sup> Peter D. Hart Research Associates, “Employee Free Choice Act,” December 2006.

<sup>4</sup> AFL-CIO, “Employer Interference by the Numbers”:  
<http://www.aflcio.org/joinaunion/how/employerinterference.cfm>

<sup>5</sup> Peter D. Hart Research Associates, “Employee Free Choice Act,” December 2006.

<sup>6</sup> Ibid.