
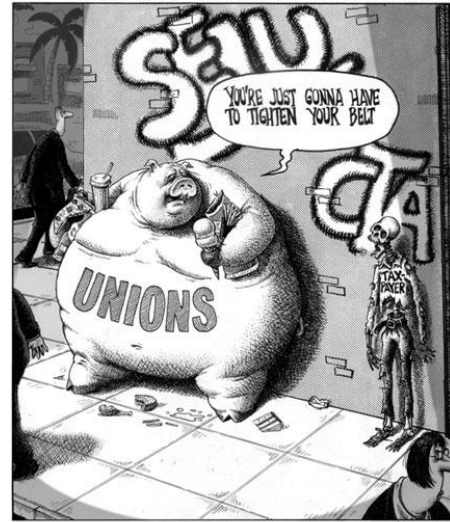
 **CHICAGO TEACHERS GO ON STRIKE! IS IT MADISON REVISITED?** 

**Public sector unions, vocal demonstrations, strikes, and related issues are part of the current times, and of our future! Here are some things to consider.**

**Stephen L. Bakke**  **September 12, 2012**



ILLUSTRATIONS BY SEAN DELONAS

**The “Bottom Lines” in Chicago and Madison/Milwaukee Wisconsin are the Same!**

***The Wisconsin “Bottom Line” – The Public Sector and the School Districts are BROKE!***

It’s generally not just the teachers’ salaries that tend to bust the school districts’ budgets – it’s the “Cadillac” fringe benefits they (and to a certain extent other public unions) receive. Bob Costrell is an economist in the Department of Education reform at the University of Arkansas. During the Madison demonstrations/disturbances he wrote an op-ed about the Madison and Milwaukee situation for the Wall Street Journal. I quote part of it:

*Overall, the [Milwaukee] school district’s contribution to health insurance for employees and retirees total about 50.9 cents on top of every dollar paid in wages. Together with pension and Social Security contributions, plus a few small items, one can see how the total fringe benefits reaches 74.2% [of wages].*



Additionally, the Milwaukee school district ends up paying 38.8% of their employees’ wages for health insurance. That compares to a national average for the private sector of 10.7%.

***The Chicago “Bottom Line – The Public Sector and the School Districts are BROKE!***

Chicago is experiencing the same thing as did Milwaukee and Wisconsin in general. On the one hand the Chicago teachers’ base pay, before benefits, is \$76,000 (higher than almost all areas of the country) per year, compared to the city’s overall average of \$47,000 per year. On top of that, are the “Cadillac fringe plans.” Similar to the Milwaukee school district in which 74 cents was added to every dollar of base salary, Chicago’s teachers’ receive a 71 cent “fringe benefit” for every base salary dollar. The teachers have been offered a 16% base increase over four years, but they wanted an increase of 30% over two years. They went on strike instead of agreeing to a very fair offer.

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The roughly **“70 cents plus”** fringe benefits per base wage dollar, which is common to both Milwaukee and Chicago, **compares to 24.3 cents in the private sector.** *The two communities’ problems are just about the same – they are broke, to a significant degree, because of high pay along with the “Cadillac benefit plans” – these were the “straws that broke the camels’ backs”!*

### **The Chicago Problem is Much Bigger than the Teachers’ Union and Other Public Unions**

The Chicago problem isn’t just the teachers’ or other public sector unions – it’s the entire Illinois and Chicago public sector habits and mischief of spending and tax policies. Rampant spending at all levels of Illinois government, along with huge state and local tax increases has worked to drive many businesses out of the state, or at least to stop seeking healthy growth levels – **they can’t afford to!** Spending has continued to increase and **Illinois state public sector union funds are broke – it isn’t just the teachers.**



Since the teachers’ union is “center stage” right now, and other public sector unions are their partner in promoting such fiscal “mischief,” let’s take a more detailed “educational” look at public sector and teachers’ unions.

### **Franklin Roosevelt, the Unions’ “Patron Saint,” Had Some Opinions on Public Sector Unions**

While a champion of workers’ rights and the union movement, President Franklin Delano Roosevelt knew full well that public sector unions are a bad concept. In a letter to the president of the National Federation of Federal Employees in 1937, he wrote:

*... All Government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into the public service. It has its distinct and insurmountable limitations ... The very nature and purposes of Government make it impossible for ... officials ... to bind the employer ... The employer is the whole people ... A strike of public employees ... is unthinkable and intolerable.*

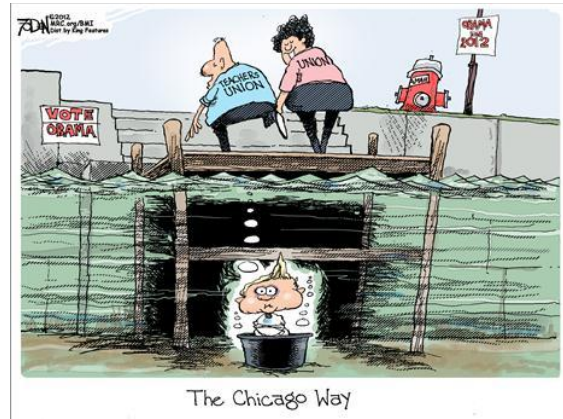
Roosevelt was reminding the unions, and the nation, that the “true employers” (i.e. citizens) are not at the collective bargaining table – only the politicians.

### **From the Public Sector Unions’ Perspective – In Their Own Words!**

The National Education Association’s (NEA) Former General Counsel, Bob Chanin had this to say during his farewell comments in 2009:

*Despite what some among us would like to believe it is not because of our creative ideas. It is not because of the merit of our positions. It is not because we care about children and it is not because we have a vision of a great public school for every child. NEA and its affiliates are effective advocates **because we have power. And we have power because there are more than 3.2 million people who are willing to pay us hundreds of millions of dollars in dues each year ...***

*This is not to say that the concern of NEA and its affiliates with closing achievement gaps, reducing dropout rates, improving teacher quality and the like are unimportant or inappropriate. To the contrary! These are the goals that guide the work we do ..... **But they need not and must not be achieved at the expense of due process, employee rights and collective bargaining. That simply is too high a price to pay.***



Read again the last few lines I put in **bold red!** That gives us some appreciation for NEA’s priorities – teacher quality and education effectiveness deserve only a tip of the hat and an “**oh yea, that too**” comment! Another former NEA official, John Lloyd, pointed to an explanation for their methods:

*You cannot possibly understand NEA without understanding Saul Alinsky. **If you want to understand NEA, go to the library and get “Rules for Radicals.***

How about comments from bosses of other public unions? “Power,” as referred to above, obviously led Victor Gotbaum, a ‘70s leader of District Council 37 of the AFSCME in New York City, to brag:

*We have the ability, in a sense, **to elect our own boss.***

Can you believe he actually admitted it and went “on the record” with that comment?

### **It’s All About Power!**

In the last section I quoted a former NEA official lauding Saul Alinsky and his book “Rules for Radicals.” He thinks understanding Alinsky is the best way to understand the NEA. A couple of years ago I carefully read Alinsky’s book “Rules For Radicals” and wrote a report on it. Here are some excerpts from that report:

*[Alinsky] ... founded what is known today as the Alinsky ideology and Alinsky concept of mass organization for power. Alinsky wrote: **“My aim here is to suggest how to organize for power: how to get it and use it ... You do what you can with what you have and clothe it with moral garments. Power is not only what you have but what the enemy thinks you have. ... Ridicule is man’s most potent weapon ... The first***

*step in community organization is community disorganization. No politician can sit on a hot issue if you make it hot enough ... we are concerned with how to create mass organizations to seize power and give it to the people."*

**The goal is clear. It's about organizing for power** – just like Alinsky suggests. The demonstrations in Madison, and probably in Chicago, are not just “spontaneous combustion.” They are an **organized effort by national forces opposed to any resistance to union power**. Advocating for one’s position is perfectly OK. But we must understand the methods and motivations taught to these organizers by the “granddaddy” of all community organizers, **Saul Alinsky – a brilliant, but devious, man!**

### **Public vs. Private Sector – Aren't They Similar?**

Daniel DiSalvo, assistant professor of political science at City College of New York, reports that when all jobs are considered, state and local public-sector workers today earn, on average, \$14 more per hour in total compensation (wages and benefits) than their private-sector counterparts. The New York Times has reported that public-sector wages and benefits over the past decade have grown twice as fast as those in the private sector. He explains further:

*Through their extensive political activity, these government-workers' unions help elect the very politicians who will act as "management" in their contract negotiations – **in effect handpicking those who will sit across the bargaining table from them, in a way that workers in a private corporation ..... cannot.***

George Mason University Professor and Economist Walter E. Williams reports that:

*The problem arises after you win office and sit down to bargain over the pay and working conditions with unions who voted for you. Given the relationship between politicians and public employee unions, we should not be surprised that public employee wages and benefits often average 45 percent higher than their counterparts in the private sector. Often they receive pension and health care benefits making little or no contribution ... **How is it that public employee unions have such a leg up on their private-sector brethren? The answer is not rocket science. Employers in the private sector have a bottom line. If they over-compensate their employees, company profits will sink. The company might even face bankruptcy.***

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Whatever happens in Chicago, we can expect to hear about ever more conflict between public sector unions and the governments that fund them. Cities, counties, states, and most publicly funded entities like school districts, **ARE BROKE or GOING BROKE!** We have all read the numerous reports of state and local governments actually filing bankruptcy – something unheard of a few years ago. These problems of finances are also present at the federal level, but that’s where they borrow and “print money,” so the problem doesn’t “hit the fan” quite as quickly as at the state and local levels. All I can say is **SOMETHING HAS TO CHANGE OR WE WILL HAVE TO ...**

**GET USED TO IT!**