America needs a raise. Productivity, corporate profits, executive pay and the stock market keep going up, but working families only have seen their wages stagnate. There is no evidence of any economic recovery for most working women and men in the US.

The gap between the richest Americans and the rest of us is at another high point, back to where it was during the “gilded age” of the 1920s.

Following World War I, organized labor had to fight against “the American Plan,” which was nothing more than a strategy by the biggest employers and management groups to get rid of unions altogether. It almost succeeded. This corporate crusade against unions was helped enormously by several post-World War I judicial decisions by courts that were extremely hostile to workers and bargaining rights.

That changed with the New Deal and passage of the National Labor Relations Act that established that promoting collective bargaining between workers and employers was the US public policy.

As collective bargaining and union representation took off, working families realized real gains. From that point on, until the 1970s, working families experienced real income growth and negotiated real improvements in their jobs.

It’s no secret that collective bargaining lifts real wages and working conditions. And it’s no accident that as collective bargaining has declined, so have the real wages of working families.

Today, the extreme opposition to collective bargaining in the US has hit a new low. The governor of South Carolina, Nikki Haley, actually said that companies with union represented workers weren’t welcome in the state. I’m sure our members in South Carolina and others who know that union representation usually brings higher pay and benefits and improved working conditions would disagree.

Just recently, we saw elected officials in Tennessee threaten workers and interfere in a union representation election at the Volkswagen plant in Chattanooga.

Usually, it’s management that makes threats, vows to shut down or harasses workers who want a union voice. In this case, Volkswagen management remained neutral, not surprisingly since every other VW plant in the world has collective bargaining. Instead, there was unprecedented interference by US Senator Corker, Governor Haslam and members of the state legislature. Workers were told by politicians that a vote for union representation meant Volkswagen wouldn’t expand production — an absolute lie! Volkswagen was threatened with the loss of financial support and tax incentives, a bizarre approach to the goal of keeping good jobs in the state.

If we are going to have any chance for economic recovery, working men and women need to be able to bargain collectively for improvements in wages and for our share of the productivity gains that our work has produced.

This issue of the CWA News looks at the growing wage gap and how the lack of bargaining rights, the increasing takeover by corporations of our elections and public policy and bad trade deals like the Trans Pacific Partnership are the contributing factors to a declining middle class standard of living for millions of Americans.

America Needs a Raise, not just a higher minimum wage. We know that alone, we can’t achieve our goals of bargaining rights, good wages and secure jobs, and health care and retirement security. But we also know that when we work with our partners and allies – greens, good government groups, civil rights and students’ organizations, and many more – we make a difference.

America Needs a Raise. It will take all of us working together to get it, not only at the bargaining table but in our communities.

Larry Cohen, CWA President
America needs a raise. Productivity, profits, executive pay and the stock market keep going up, but the incomes of working and middle class families keep going down. The gap between the rich and the rest of us is growing, and that makes it harder for families to maintain a middle class standard of living.

**The Rich Get Richer**

From 2009-2012, 95 percent of income gains went to the 1 percent. So it’s not surprising that the 1 percent is fully recovered from the economic downturn. The rest of us, not so much. The incomes of the bottom 99 percent have barely started to recover. This wage gap has widened in every state. You can check out your state at [www.epi.org/publication/unequal-states/](http://www.epi.org/publication/unequal-states/).

The gap between workers’ wages and increases in productivity, now more than $500 a week, is the widest it’s ever been. There won’t be a robust economic recovery unless the 99 percent start to make real gains in income.

(Source: Striking it Richer: The Evolution of Top Incomes in the United States, Emmanuel Saez, University of California, Berkeley, September 2013. Inequality, the Great Recession, and Slow Recovery, Barry Z. Cynamon and Steven M. Fazzari, Washington University, St. Louis, January 2014.)

### What’s the Wage Gap in Your State?

<table>
<thead>
<tr>
<th>State</th>
<th>1 Percent</th>
<th>99 Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>16.9%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>9.4%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Ohio</td>
<td>14.8%</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>8.3%</td>
<td>-0.05%</td>
</tr>
<tr>
<td>Texas</td>
<td>21.6%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Sources: Economic Policy Institute

### Share of Total Income Growth Captured by Top 1%

![Graph showing income growth](chart)

### How American Workers’ Wages Got Left Behind

![Graph showing wage gap](chart)

More and more Americans now realize that the United States has become stratospherically unequal in terms of income, wages, wealth and opportunity. The Economic Policy Institute’s new website – [Inequality.is](http://Inequality.is) – clearly illustrates the challenges and problems our country faces, using interactive tools and videos to tell the story of how we arrived at this state of inequality and what can be done to reverse course and ensure workers get their fair share. Check it out!
The global economy doesn’t have to mean stagnant real wages, no bargaining rights and no voice on the job. In fact, in most other democracies, collective bargaining rights are expanding. Workers in both established democracies and newer democracies in South America and Asia all have seen an increase in the percentage of workers with bargaining coverage.

Corporations and the 1 percent are increasing their power and their control over our elections and democratic process. The amount of spending in political campaigns by corporations, Super PACs and politically active nonprofits, these groups already have burned through more than three times their expenditures at the same point in the last election. “Dark money” organizations – nonprofits that aren’t required to disclose the names of their donors – are spending five times as much as two years ago.

The real issue is what these big spenders get in return and how this flood of dollars affects our public policy and the direction of our country.

The Supreme Court’s Citizens United ruling in 2010 that said corporations are people has allowed them to spend unlimited amounts of money on our elections. In campaign 2012, “independent” groups spent about $1 billion, much of it from anonymous individuals and corporations. The Supreme Court soon will issue a decision in the McCutcheon vs. the Federal Election Commission case, which could lift the cap on aggregate individual contributions from $123,000 to $3.6 million.

When corporations and wealthy Americans bankroll political campaigns, there’s little hope that they’ll be made to pay their fair share of taxes or prevented from receiving a disproportionate share of tax breaks. If big money is allowed greater hold over our politics and policy, the current and long-term issues that matter to working Americans – good jobs, collective bargaining rights, health care and retirement security – will be increasingly drowned out.

The Government By the People Act, introduced by Rep. John Sarbanes (D-Md.) with House Democratic Leader Nancy Pelosi, is a step forward to restore democracy in our federal elections. It encourages candidates to rely on a large number of small donations from constituents back home, as opposed to funds from extremely wealthy donors, special interests, Wall Street and big business. It would hold members of Congress accountable to the people who put them in office, not the biggest bankroll.

CWA activists in New York State, working with Citizen Action, Working Families and other allies, are pushing for passage of a state public financing law; the vote could depend on a large number of small donations from constituents back home, as opposed to funds from extremely wealthy donors, special interests, Wall Street and big business. It would hold members of Congress accountable to the people who put them in office, not the biggest bankroll.

A majority of Americans surveyed believe the government should work to reduce the income gap between rich and the poor, according to a new CNN poll.
CORPORATE TRADE DEALS LIKE THE TRANS-PACIFIC PARTNERSHIP PUSH U.S. WAGES DOWN

I t’s no surprise to working families: trade deals like the Trans-Pacific Partnership and the North American Free Trade Agreement mean lost jobs and lower wages.

The TPP is a proposed trade deal among 12 Pacific Rim countries: the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Other countries like the Philippines also want to join. Workers lost jobs and wages under NAFTA, negotiated 20 years ago and it happened under the U.S.-Korea Free Trade Agreement negotiated last year.

NAFTA cost U.S. workers 700,000 jobs, although NAFTA supporters promised that nearly 200,000 would be created. The Korean trade deal already has cost U.S. workers 40,000 jobs, and there is no sign of the 70,000 that proponents said would be created.

These so-called “free trade” deals are a big part of our country’s growing income inequality problem. Corporations flock to take advantage of lower wages overseas, then put pressure on the wages, benefits and working conditions of U.S. workers who are forced to compete with wage rates in countries like Vietnam, a TPP partner, where the average wage is 75 cents an hour and the minimum wage is 28 cents.

Even when a company returns tech or call center work to the U.S., workers are told that their competition is the Philippines, Bangladesh or other countries with no wage floor.

Trade deals like the TPP won’t lift up our standard of living. They only create a new race to the bottom. TPP also would bar the U.S. from implementing environmental and food safety standards, “Buy American” provisions, the “Press One for America” call center bill and green and sweatshop-free obligations. Foreign firms would have equal access to U.S. federal procurement contracts, meaning taxpayer dollars would be going to fund jobs abroad, not at home.

The TPP and fast track advocates talk a lot about exports, but they don’t mention the impact of the flood of imports that has resulted from trade deals like this, nor the transfer of jobs out of the U.S. In the 20 years of NAFTA and other trade deals, the U.S. trade deficit has skyrocketed to $1 trillion.

Trade policy needs to work for all. Otherwise it becomes a tool that benefits the wealthy at the expense of the rest of us. Read more about TPP at www.cwa-union.org/TPP.

WHAT CAN WE DO ABOUT IT?

By ourselves, we won’t make any progress on the issues that working families care about: good wages and secure jobs, health care, bargaining and organizing rights and retirement security.

But standing up with allies in the environmental movement, citizens groups like Common Cause, students, people of faith, the civil rights community and many more, we can make real change happen.

Our broad coalition broke the gridlock of the Senate obstruction last summer and again late in the year, when we pushed for changes that resulted in confirmations to the National Labor Relations Board, Environmental Protection Agency, Consumer Financial Protection Bureau, and the U.S. Court of Appeals for the D.C. Circuit.

We’ve joined forces with the NAACP to turn back an assault on voting rights, and we’re working with good government groups to restore our political process and end the flood of corporate money in our elections.

A CWA MEMBER TELLS SENATORS THAT WORKERS ARE LOSING GROUND

Naomi Bolden, vice president of CWA Local 2204, tells Democratic Senators that the economy isn’t working for working families.

O ver this past year my husband got very sick and had to be hospitalized for over a month and a half and is still out of work. His job did not provide any sick leave or sick pay. Because of that situation, he and I are now living paycheck to paycheck. I worry every single day about how I am going to pay my bills.

I know that my story isn’t unique. That many, many Americans face the same struggles I and my family have each and every day. We are doing everything right. We work hard. We play by the rules. We try to save for the future. We want a bright and secure future for our children. We want nothing more than the secure middle class lifestyle that our parents enjoyed. But that’s not the case today.

Our wages can’t keep up with our expenses. Our health care system is broken. I and many middle class families today are just one mishap away from bankruptcy. When you’re living paycheck to paycheck it’s hard to save for a retirement that you find yourself wondering if you’ll ever see. This is not the America that my parents left Italy to come to.

Our economy today seems to be focused on only enriching the corporate CEOs and those on Wall Street. While those of us in the middle class are taking home less today in terms of real dollars than in the 1970s.

We’ve watched our manufacturing jobs disappear because of misguided trade policies. Many of us believed that service sector jobs, like customer service, would be more secure, but now we’re seeing our work offshored to places like Central America and the Philippines. Some of my friends who worked in tech support actually trained their overseas replacements before they were fired.

Instead of policies that would help us in our struggles and that would strengthen the middle class, we see a focus on tax cuts for corporations and issues that won’t impact working people in this country. And the policies that would help us – like raising the minimum wage, extending unemployment insurance, investing in our infrastructure like broadband and making college more affordable – seem to be blocked.

HOW WE MOVE FORWARD ON OUR CWA ECONOMIC ISSUES

by building coalitions of workers and allies
50 MILLION STRONG

by building coalitions of workers and allies

A HOW-TO FOR ACTIVISTS

Want to learn more about how CWA activists are helping to build a movement for economic justice and democracy? Check out the latest version of our movement building booklet. Download it at www.cwa-union.org/economicjustice.

This booklet is filled with graphs and charts that make it clear that working families are losing ground, unless we join together with other membership organizations to fight back. Case studies spotlight our successful campaign to mobilize millions and save the NLGB, along with rights we still need to win, on bargaining rights and comprehensive immigration reform.

It also includes more stories to inspire activists. All the stories can be found at www.cwa-union.org/stories.

How to Build a Movement for Economic Justice and Democracy

50 MILLION STRONG
America needs a raise

RAISE THE MINIMUM WAGE

No question about it, minimum wage workers need a raise. Increasing the federal minimum wage to $10.10 by 2016 would restore the federal minimum wage to about the same inflation-adjusted value it had in the late 1960s, just under $10 an hour. In 1968, the minimum wage was equal to 53 percent of the average wage. Today it equals just 37 percent of the average wage.

The $7.25 hourly wage that minimum wage workers are paid today equals about $15,080 a year. That's below the poverty line for a family of two. The minimum wage hasn't produced wages above the poverty line for a family of three since 1968.

Who earns the minimum wage?

• The average age of a minimum wage worker is 35. A third are 40 years of age or older.
• More than half, 54 percent, work full time. And minimum wage workers earn at least half of their family's total income.
• Women make up 55 percent of minimum wage earners.
• Increasing the hourly minimum wage to $10.10 would directly benefit 16.5 million workers and would lift nearly 1 million people out of poverty.

In response to the governor's veto, a coalition partners to get the issue placed on the November ballot. CWA worked with the State AFL-CIO, NJ Citizen Action, SEIU Local 32 B-J, NJ Communities United, NJ United Students, Working Families, and DREAM Act coalition partners to get the issue placed on the November ballot. CWA hit the streets to build support for the ballot measure to increase the state's minimum wage from $7.25 to $8.25 an hour, and provide for an annual cost of living increase.

The nationwide movement to raise the minimum wage played out in New Jersey last year. New Jersey is one of the most expensive states in the country — but its minimum wage was among the lowest in the United States. GOP Gov. Chris Christie vetoed the state legislature’s bill to boost the minimum wage last year.

In November, voters overwhelmingly approved the minimum wage increase; it took effect in January 2014.

“Some people continue to defend trickle-down theories which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in the world. This opinion, which has never been confirmed by the facts, expresses a crude and naive trust in the goodness of those wielding economic power and in the sacralized workings of the prevailing economic system. Meanwhile the excluded are still waiting.” — Pope Francis
A general matter, employees covered by a collective bargaining agreement containing a Union security clause are required, as a condition of employment, to pay an agency fee equal to normal Union dues (and, where applicable, initiation fees). While the wording of these clauses is not perfectly uniform, none requires more than the payment of this agency fee to retain employment.

The Communications Workers of America policy on agency fee objections is the Union’s means of meeting its legal obligations to employees covered by Union security clauses and of effectuating those employees’ legal rights as stated in the applicable decisions of the United States Supreme Court (including Beck v. CWA) and the companion lower court and labor agency decisions. Under the CWA policy, employees who are not members of the Union, but who pay agency fees pursuant to a Union security clause, may request a reduction in that fee based on their objection to certain kinds of Union expenditures.

The policy provides an objection period each year during May, followed by a reduction in the objector’s fee for the twelve months beginning with July and running through June of the following year.

Briefly stated, CWA’s objection policy works as follows:

1. Objections for the period of July through June must be sent during May. Objections will be honored for one year unless the objection specifically states that it is continuing in nature. Continu- ing objections will be honored for as long as the agency fee payer remains in the bargaining unit. Agency fee payers who are new to the bargaining unit, or who are returning to the bargaining unit, may object within thirty days of receiving this notice. Employees filing these objections in either circumstance should so state that circumstance in their letter of objection. New bargaining unit members are to receive this notice and must send an objection within thirty days of receiving it. Objections must be sent to the Agency Fee Administrator, CWA, 501 Third Street, NW, Washington, DC 20001-2797.

2. Objectors will be given a full explanation of the basis for the reduced fee charged to them. That explanation will include a more detailed list of the categories of expenditures deemed to be “chargeable” and those deemed to be “nonchargeable,” and the independent certified public accountant’s report showing the Union’s expenditures on which the fee is based. In addition to any other avenue of relief available under the law, objectors will have the option of challenging the Union’s calculation of the reduced fee before an impartial arbitrator appointed by the American Arbitration Association, and a portion of the objector’s fee shall be held in escrow while he or she pursues that challenge. Details on the method of making such a challenge and the rights accorded to those who do so will be provided to objectors along with the explanation of the fee calculation.

3. Objections for the period of July through June must be sent during May. Objections will be honored for one year unless the objection specifically states that it is continuing in nature. Continuing objections will be honored for as long as the agency fee payer remains in the bargaining unit. Agency fee payers who are new to the bargaining unit, or who are returning to the bargaining unit, may object within thirty days of receiving this notice. Employees filing these objections in either circumstance should so state that circumstance in their letter of objection. New bargaining unit members are to receive this notice prior to any demand being made upon them for the payment of agency fees. If, however, for any reason a new unit member begins paying agency fees prior to the receipt of this notice, he or she may object proactively to the commencement of such payments and for the duration of the current annual objection period.

The letter of objection should include name, address, CWA Local number, and employer. Objections must be sent to the Agency Fee Administrator, CWA, 501 Third Street, NW, Washington, DC 20001-2797.
FAST TRACK AND TPP: Lost Jobs, Lower Wages

When ordinary Americans learn more about “fast track” authority and the Trans-Pacific Partnership, they recognize it as a bad deal for workers’ jobs and wages, small business, food safety and the environment.

This trade deal has been negotiated in secret for nearly four years. Now, as the multinational corporations and trade negotiators are closing in on the final round, they’re pushing for “fast track” authority, which would block Congress from amending or improving the deal in any way. The House and Senate would be limited to an up-or-down vote on the entire package.

CWA and a diverse group of allies has been shining a bright light on the secrecy surrounding the TPP and 600 corporate advisers who have access to all the texts while members of Congress, unions, and all public interest groups can only speculate about what this massive trade deal would do to working and middle class families.

Now, a national, bipartisan public poll sponsored by CWA, the U.S. Business and Industry Council and the Sierra Club confirms that when voters hear what the TPP is all about, they strongly oppose this deal.

62 Percent of Voters Oppose Fast Track for the TPP

28%

62% Strongly Oppose

10% Not Sure

24% Favor

No more than one-third of voters in any region of the country or in any age group approves of fast track. Sixty percent of voters with household incomes under $50,000 oppose fast track, as do 65 percent of voters with incomes exceeding $100,000. Republicans (87 percent) and independents (66 percent) reject fast track, while a narrow majority (52 percent) of Democrats are in favor when asked if they would support this president’s fast track proposal.

Will fast track and TPP make environmental protections better or worse?

Better

Worse

Will fast track and TPP make food safety better or worse?

Better

Worse

We’re in the middle of a David vs. Goliath battle. Corporate lobbyists are waging a fierce campaign to get this trade deal rushed through Congress with little debate. But a broad coalition has come together to take on Goliath. CWA and a diverse group of allies recognize it as a bad deal for large corporations. And they’re right. The TPP is a giveaway to multinational corporations. Not only will corporations move manufacturing jobs to countries like Vietnam, where the minimum wage is 28 cents an hour and the average wage is 75 cents an hour, but service sector jobs will be sent offshore too.

Will fast track and TPP make U.S. jobs and wages better or worse?

Will Help

Will Hurt

Will Make U.S. Jobs Better

21%

56%

52%

30%

Will Make U.S. Jobs Worse

Will Make U.S. Wages Better

The TPP is a giveaway to multinational corporations. Not only will corporations move manufacturing jobs to countries like Vietnam, where the minimum wage is 28 cents an hour and the average wage is 75 cents an hour, but service sector jobs will be sent offshore too.

Under TPP, Multinationals Could Challenge US Laws, and Win

Multinational corporations are celebrating the new advantage they hope to get under the TPP. TPP would allow corporations to sue governments over any laws or regulations that could affect their “expected future profits.”

Don’t believe it? It’s already happening under trade agreements already in effect, like the World Trade Organization treaty and other agreements between nations. And the TPP would open the door to even more corporate control over democratically passed laws and important public health regulations.

Australia has a tough anti-smoking program, enacted as part of public policy to prevent smoking deaths and illness in the U.S. This law was challenged by Philip Morris and other tobacco industry allies in Australian courts. The Australia High Court rejected the tobacco industry’s claims. End of story, right?

Not even close. Philip Morris and partners are challenging Australia’s smoking regulations before international tribunals that review “violations” of trade agreements. They claim that Australia’s law violates “intellectual property rights.” The UN’s Commission on International Trade Law is reviewing the case now. The TPP would make even more such challenges possible.

It’s not the only example of multinational corporations challenging the right of a country to set its own laws and policies. There are 500 cases pending against many nations, brought by corporations seeking $15 billion in compensation for the future loss of profits.

And TPP would make it illegal for food distributors in the U.S. to label in what country a product originated.

CWAers stand up and fight back against fast track and the TPP.

Read more at www.cwa-union.org/tpp.