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# FACT SHEET

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## National Institute for Labor Relations Research

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## The Union Political Machine in 2004

### Forced-Dues Money Pays For Salaries and Benefits of Full-Time Political Organizers

Recent public statements by spokesmen for major AFL-CIO-affiliated unions add to the already large body of evidence supporting key charges made by the National Institute for Labor Relations Research and other Right to Work proponents about Organized Labor political spending. For example, in a study published in early 2002, the Institute reported:

In 1999-2000, as in every election cycle, thousands of salaried union staff members were assigned to supervise campaign activities full time for week after week or month after month, while they continued to draw union paychecks funded almost entirely by compulsory dues.<sup>1</sup>

Since 1935, U.S. labor law has explicitly authorized union officials to get private-sector workers fired for refusal to join or pay dues or “fees” to a union that is federally certified as the workers’ “exclusive” bargaining agent. In unionized firms, managers or business owners are required by law to bargain with union officials over the insertion of forced-“fee” provisions, often euphemistically called “agency shop” clauses, in the employment contract. Today, union officials who are required to file disclosure forms with the federal government collect an estimated total of \$7 billion a year in forced union dues and “fees.”<sup>2</sup> And that doesn’t include most forced dues and “fees” collected by local public-sector unions, since such unions are not normally required to file federal disclosure forms.

This July, the Service Employees International Union (SEIU/AFL-CIO) began deploying an army of more than 2000 political organizers to “register and rally voters in [the 2004 presidential campaign’s] so-called battleground states.”<sup>3</sup> According to SEIU President Andy Stern, roughly “\$40 million will be spent” on taking these organizers “off the job to go to battleground states, to house them, and pay for salary [sic] and health care.”<sup>4</sup>

Mr. Stern now bluntly acknowledges that 85% of the money that is paying for this giant electioneering scheme comes from “regular dues-paying members.”<sup>5</sup> And the vast majority of the SEIU’s 1.6 million “members” actually live in compulsory-unionism states like New York, Michigan, Illinois and California. In such states, “members” is clearly a misnomer, since virtually all SEIU-“represented” workers, union members and nonmembers alike, are forced to pay dues or “fees” to Mr. Stern and his lieutenants.

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Mr. Stern vows to spend another “\$20 million or so” this campaign season on political propaganda mailings, partisan phone banks, and face-to-face electioneering in the workplace. Only a tiny share of the SEIU hierarchy’s \$65 million campaign war chest will be spent “giving to candidates.”<sup>6</sup>

SEIU kingpins are not the only bosses of an AFL-CIO-affiliated union to acknowledge they are spending tens of millions of dollars in compulsory union dues on federal politicking this year. Top officials of the American Federation of State, County, and Municipal Employees (AFSCME) plan to spend \$40 million from their forced dues-funded treasuries on electioneering efforts targeting the union’s 1.5 million “members.” In addition, the union will spend “\$8 million to \$10 million” from its political treasuries on campaign messages targeting other groups of citizens.<sup>7</sup> In August, union officials acknowledged “many AFSCME offices would empty in coming weeks to help Kerry.”<sup>8</sup>

### **‘With Everything We’re Doing . . . We Can Get This Sucker Out’**

The AFL-CIO hierarchy itself will “spend \$45 million on the [2004] campaign,” and that is “just a fraction of what the various unions comprising Organized Labor will eventually spend,” according to AFL-CIO Political Director Karen Ackerman as indirectly quoted by the *Toledo (Ohio) Blade*.<sup>9</sup> Earlier this year, the *Philadelphia Inquirer* reported on Ms. Ackerman’s colorful description of the union political campaign that is now unfolding:

“With everything we’re doing, along with what the locals are doing, we can get this sucker [President Bush] out,” Karen Ackerman, the AFL-CIO national political director, told the state [AFL-CIO] convention in Philadelphia. . . .

Ackerman said the AFL-CIO effort has hinged on getting an early start and mobilizing voters with repeat contact, especially reaching out to their spouses and voting-age children living at home. “We are eight months ahead of where we were at this point in 2000,” Ackerman told the delegates.

Using a combination of door-to-door efforts, phone banks, mailings, work-site leafletting and repeated contact with swing voters, the federation hopes to raise its turnout by 5 percent – a vast majority of which it believes will vote Democratic.<sup>10</sup>

To sum up, the AFL-CIO umbrella organization, the SEIU and AFSCME report they will spend a combined total of \$150 million in “soft money,” which consists primarily of forced union dues, on efforts to elect and reelect their favored federal candidates this year. Many of the 58 other AFL-CIO-affiliated international and national unions as well as the giant National Education Association (NEA) teacher union have publicly announced they will make major “soft money” expenditures to, e.g., “save America [and] defeat Bush,”<sup>11</sup> conduct “grassroots voter education and registration at the workplace level,”<sup>12</sup> and “to mobilize politically to help defeat Bush.”<sup>13</sup>

But besides the bosses of the AFL-CIO, the SEIU and AFSCME, no other union officials have publicly acknowledged the specific amount of forced-dues “soft money” they plan to spend on “in-kind” contributions to the Kerry-Edwards ticket and other Big Labor candidates. However, an aggregate

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estimate may be calculated by referring, in part, to *reported* union political contributions in the most recent presidential election cycle.

In 1999 and 2000, Organized Labor contributed a total of \$90.1 million to federal candidates and national party committees. Out of this sum, nearly 95% went to Democratic candidates and committees. During this cycle, the AFL-CIO, the SEIU and AFSCME contributed a combined \$16.9 million, or 18.8% of Organized Labor's total.<sup>14</sup> That puts reported Organized Labor contributions at 5.3 times reported contributions by these three unions alone. If the same ratio is applied for unreported contributions in 2003-4, then unreported, forced-dues political spending on union staff expenses, mailings, get-out-the-vote drives, etc. this year will come to \$795 million (5.3 times \$150 million).

**Estimated Total Big Labor  
Political Spending in 2003-2004  
Elections: \$925 Million**

At this writing, Organized Labor has so far contributed a reported total of at least \$90.9 million to federal candidates and so-called "527" groups (which have taken the place of national party committees since the McCain-Feingold campaign finance law took effect in November 2002) in the 2003-2004 cycle.<sup>15</sup> And one may now quite conservatively estimate that the final tally for Organized Labor's 2003-2004 candidate and 527 contributions will surpass \$130 million. *That puts unreported and reported political spending combined at \$925 million.*

As University of Pittsburgh business school professor Marick Masters has pointed out, "[U]nions are better positioned than most corporations and many other interest groups to orchestrate . . . political activities" such as "get-out-the-vote and voter-registration drives" in a potentially pivotal or decisive manner . . . ."<sup>16</sup>

Unlike businesses, trade associations, and ideological groups, union officials are able to cover the vast majority of their payroll costs with funds derived from dues and "fees" that employees are forced to pay, or be fired. Furthermore, unlike a CEO or business owner, whose priority always has to be ensuring that the company makes money, union officials can, without hesitation, order hundreds or thousands of paid staff members to provide "volunteer" assistance to a political candidate for weeks or months at a time during campaign years.

When all unreported as well as reported electioneering expenditures are taken into account, Big Labor is hardly an "underdog" in U.S. politics. The fact is, union officials have been and remain the most powerful and free-spending special-interest group in federal politics and in many states.

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## Endnotes

- <sup>1</sup> Stan Greer, "The Connection: Forced Unionism and High Federal Taxes (107th Congress version, [www.nilrr.org/TheConnection.html](http://www.nilrr.org/TheConnection.html))," National Institute for Labor Relations Research, Summer 2002, p. 3.
- <sup>2</sup> National Institute for Labor Relations Research, "Big Labor: A \$19 Billion-a-Year Business" ([www.nilrr.org/BigLabor\\$19%20BillionAYearBusiness.pdf](http://www.nilrr.org/BigLabor$19%20BillionAYearBusiness.pdf)), June 7, 2004.
- <sup>3</sup> Stephen Franklin, "Union Leaders Vow All-Out Effort on Kerry's Behalf," *Chicago Tribune*, August 11, 2004.
- <sup>4</sup> Andrew Stern, interviewed by Aaron Bernstein, "A Union Chief's Bold Tack," *BusinessWeek Online* (<http://uk.biz.yahoo.com/040728/244/ez1lj.html>), July 28, 2004.
- <sup>5</sup> *Ibid.*
- <sup>6</sup> *Ibid.*
- <sup>7</sup> Michelle Amber, "AFL-CIO Executive Council Meeting Focuses on How to Elect John Kerry," *Daily Labor Report Online*, August 11, 2004.
- <sup>8</sup> "Union Leaders Vow All-Out Effort," *supra*.
- <sup>9</sup> Karen MacPherson, "Labor Mobilizes For 1-Day 'Defeat Bush' Drive," *Toledo Blade*, September 3, 2004.
- <sup>10</sup> Thomas Ginsberg and Jane M. Von Bergen, "AFL-CIO Leaders Exhort Members to 'Dump Bush,'" *Philadelphia Inquirer*, March 18, 2004.
- <sup>11</sup> "Save America – Defeat Bush" ([www.unitehere.org/political/](http://www.unitehere.org/political/)), Union of Needletrades, Textile, and Industrial Employees and Hotel Employees and Restaurant Employees, undated.
- <sup>12</sup> "USWA, PACE Begin Massive Voter Registration Drive" ([www.uswa.org/uswa/program/content/1392.php](http://www.uswa.org/uswa/program/content/1392.php)), United Steelworkers of America, July 14, 2004 press release.
- <sup>13</sup> George Archibald, "Teachers Union Calls For Defeat of Bush," *Washington Times*, July 5, 2004.
- <sup>14</sup> See [www.opensecrets.org/bigpicture/blio.asp?cycle=2000](http://www.opensecrets.org/bigpicture/blio.asp?cycle=2000) and [www.opensecrets.org/bigpicture/topcontribs.asp?Cycle=2000&Bkdn=DemRep](http://www.opensecrets.org/bigpicture/topcontribs.asp?Cycle=2000&Bkdn=DemRep) on the Center for Responsive Politics (CRP) web site ([www.opensecrets.org](http://www.opensecrets.org)) for the 1999-2000 reported contributions data cited.
- <sup>15</sup> See [www.opensecrets.org/industries/indus.asp?Ind=P](http://www.opensecrets.org/industries/indus.asp?Ind=P) and [www.opensecrets.org/527s/527contribs.asp?cycle=2004](http://www.opensecrets.org/527s/527contribs.asp?cycle=2004) for 2003-2004 contributions. These pages on the CRP web site are frequently updated.
- <sup>16</sup> Marick Masters, *Unions at the Crossroads*, Quorum Books, 1997, p. 123.