

Stuff you should know

(to Win Arguments and Influence Nutjobs!)

Council 57 Leadership Conference 2011

Santa Clara, CA

Sylvia A. Allegretto

Center on Wage & Employment Dynamics
University of California, Berkeley

Econ 101

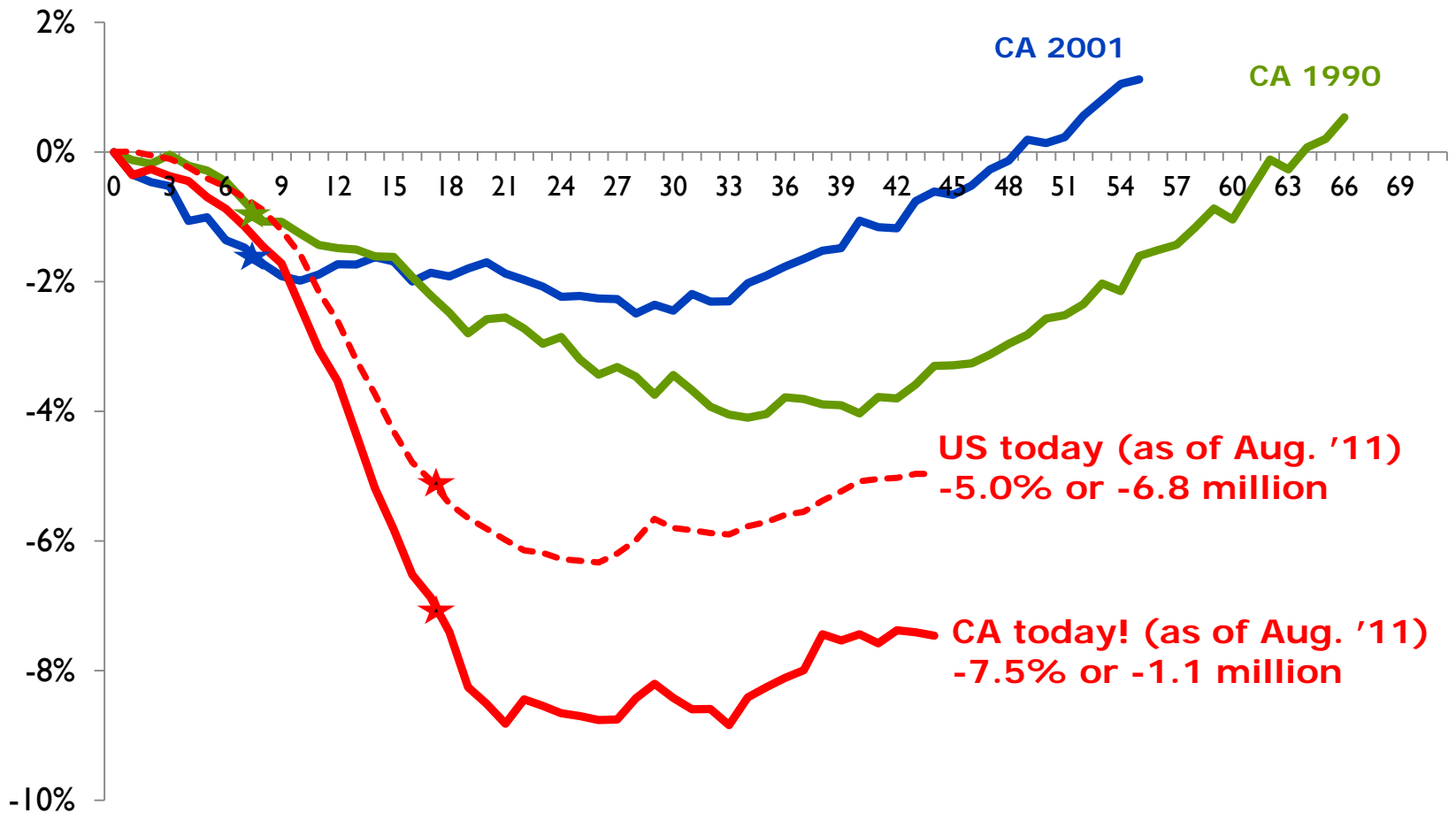
(in very colorful but not so pretty pictures)



- **This is a man made mess**
- **This presentation will either...**
 - ✓ put you to sleep
 - ✓ or piss you off
- **Ayn Rand is popping bennies & partying like it's 1929!**
- **Greenspan didn't know banks wouldn't regulate themselves...what?**
- **Have you seen Inside Job!!**
- **We're screwed without big changes**

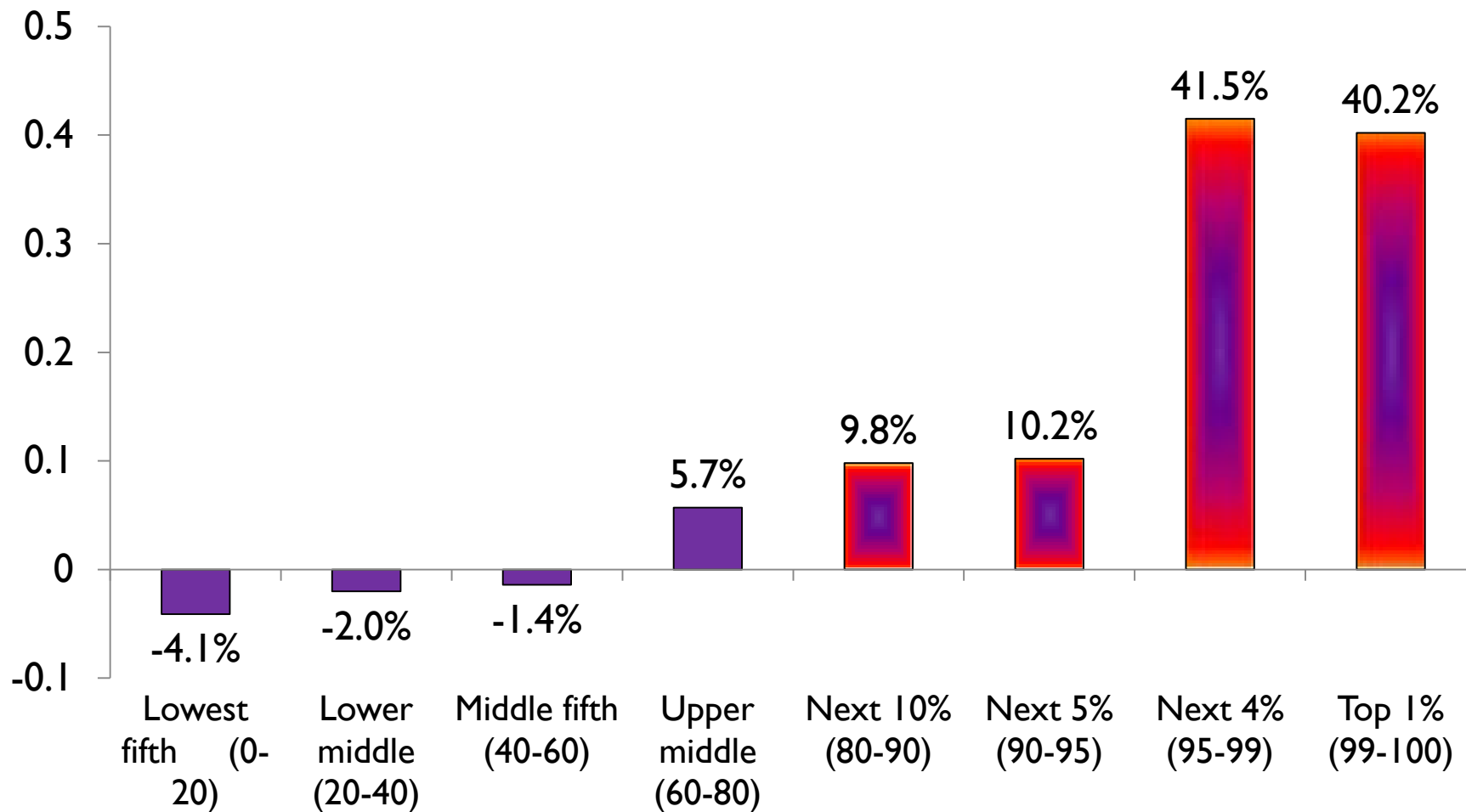


The only deficit that matters...



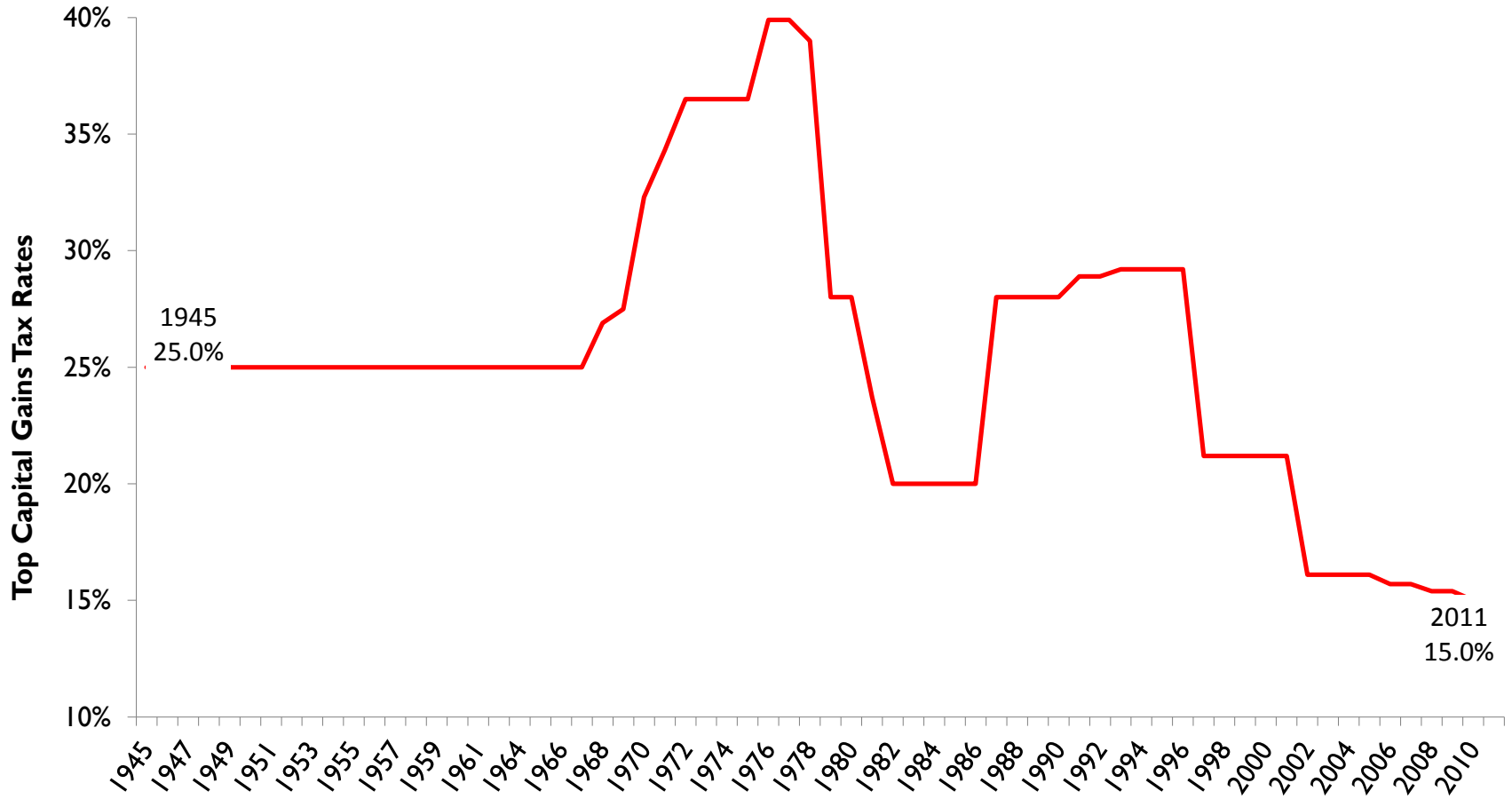
The rich are getting richer!

Trickle up economics 1983-2009



Work Vs. a call to your broker

Taxes on Investments Are Historically Low



What/Who is to Blame for State Budget Gaps?

The Housing Bust & the Great Recession!!!

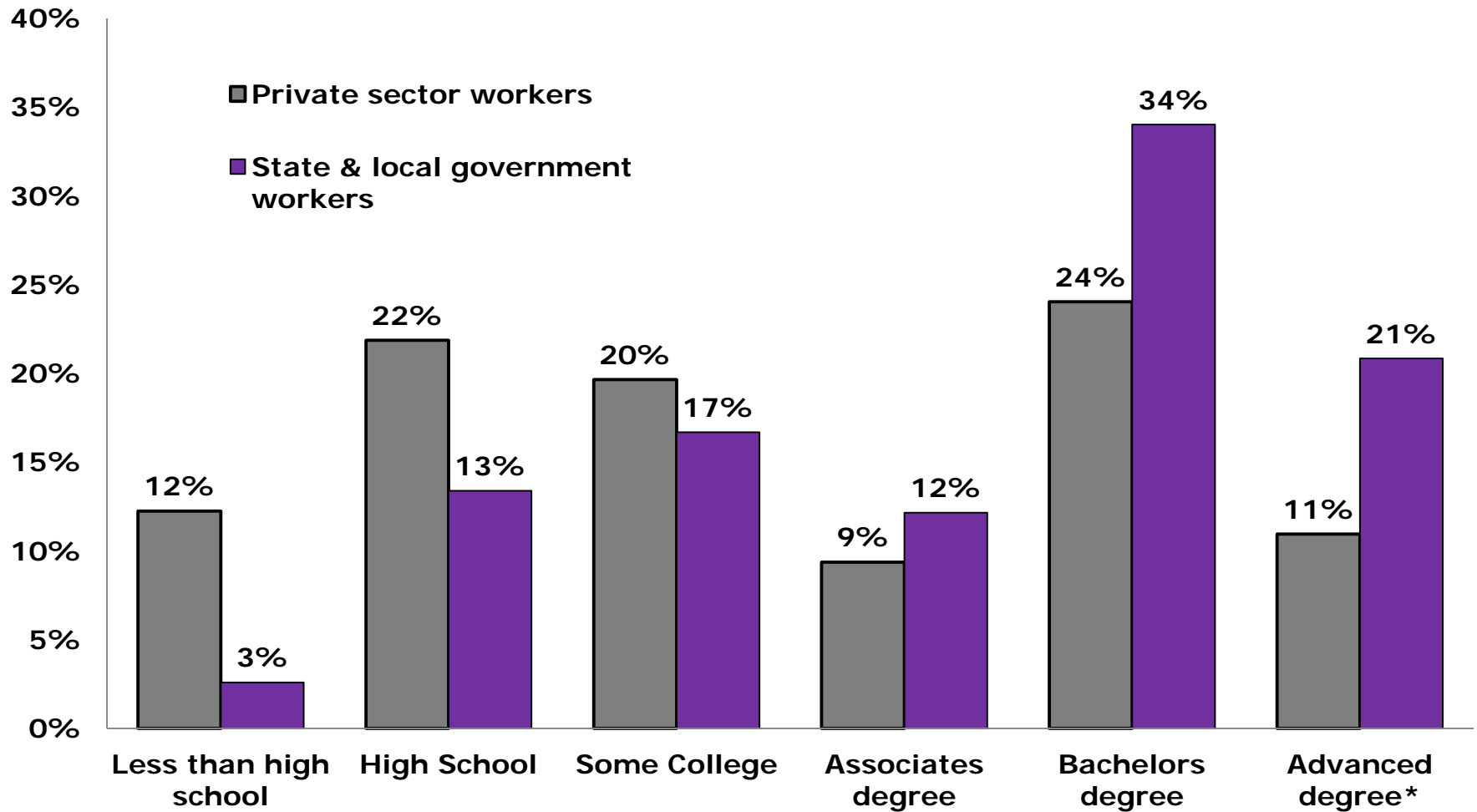
Brought to you by the Wizards of Wall Street & the Banksters

CEOs of Bell.

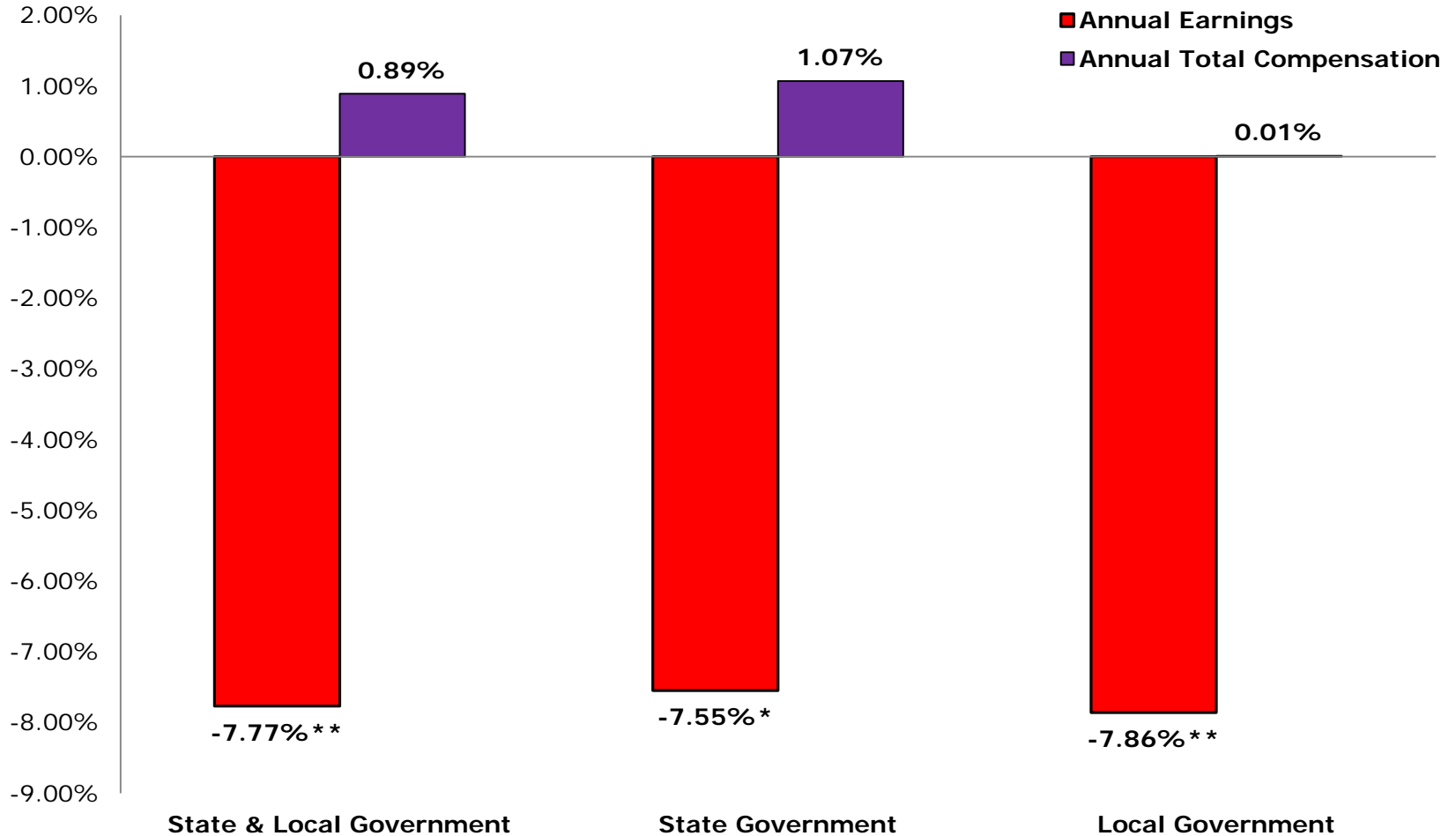
**Robert Rizzo, former city manager of Bell, California,
was making \$787,638 per year in that position.**



Educational attainment of California's workers



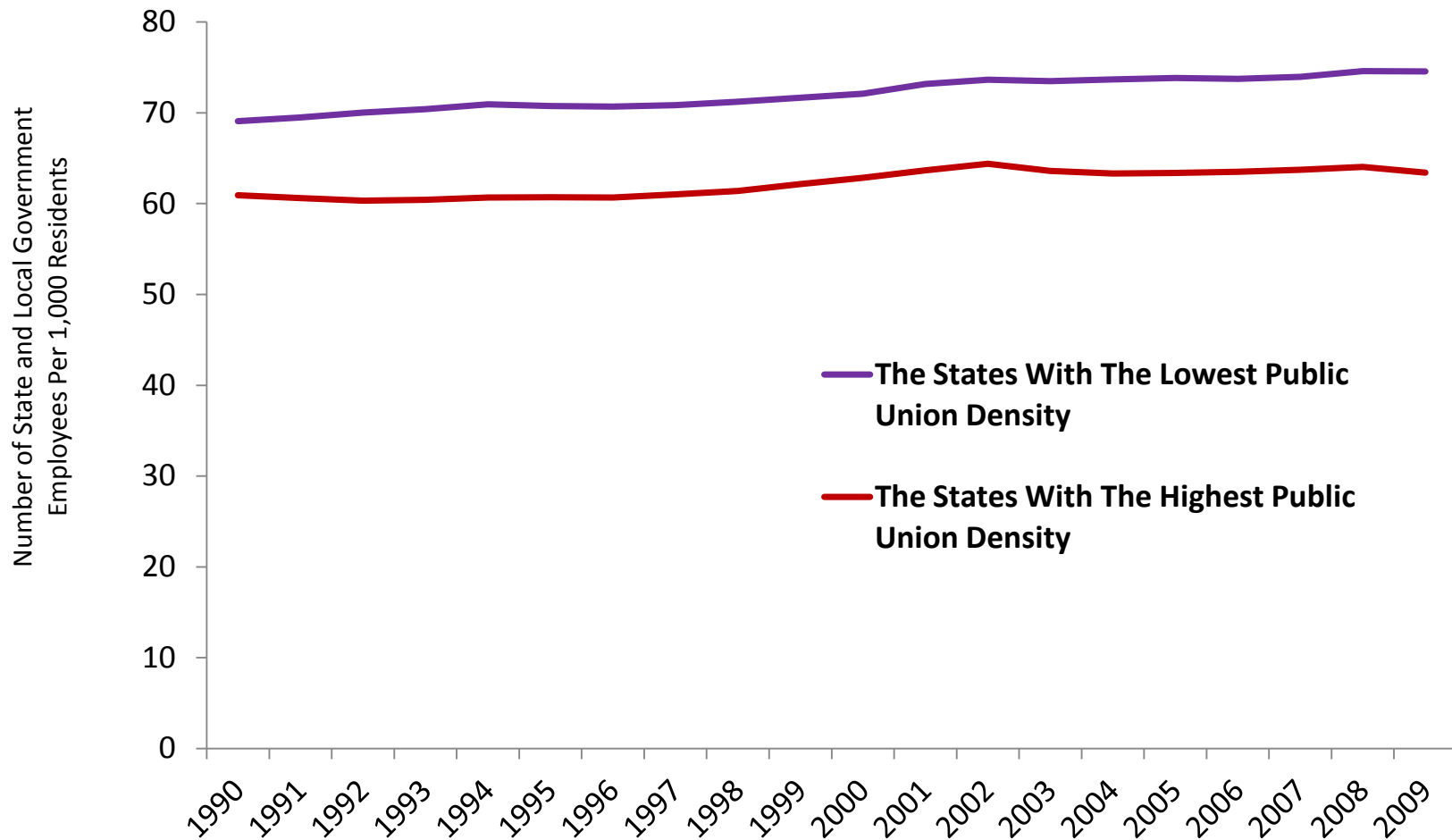
Comparison of CAs public vs. private sector earnings and total compensation



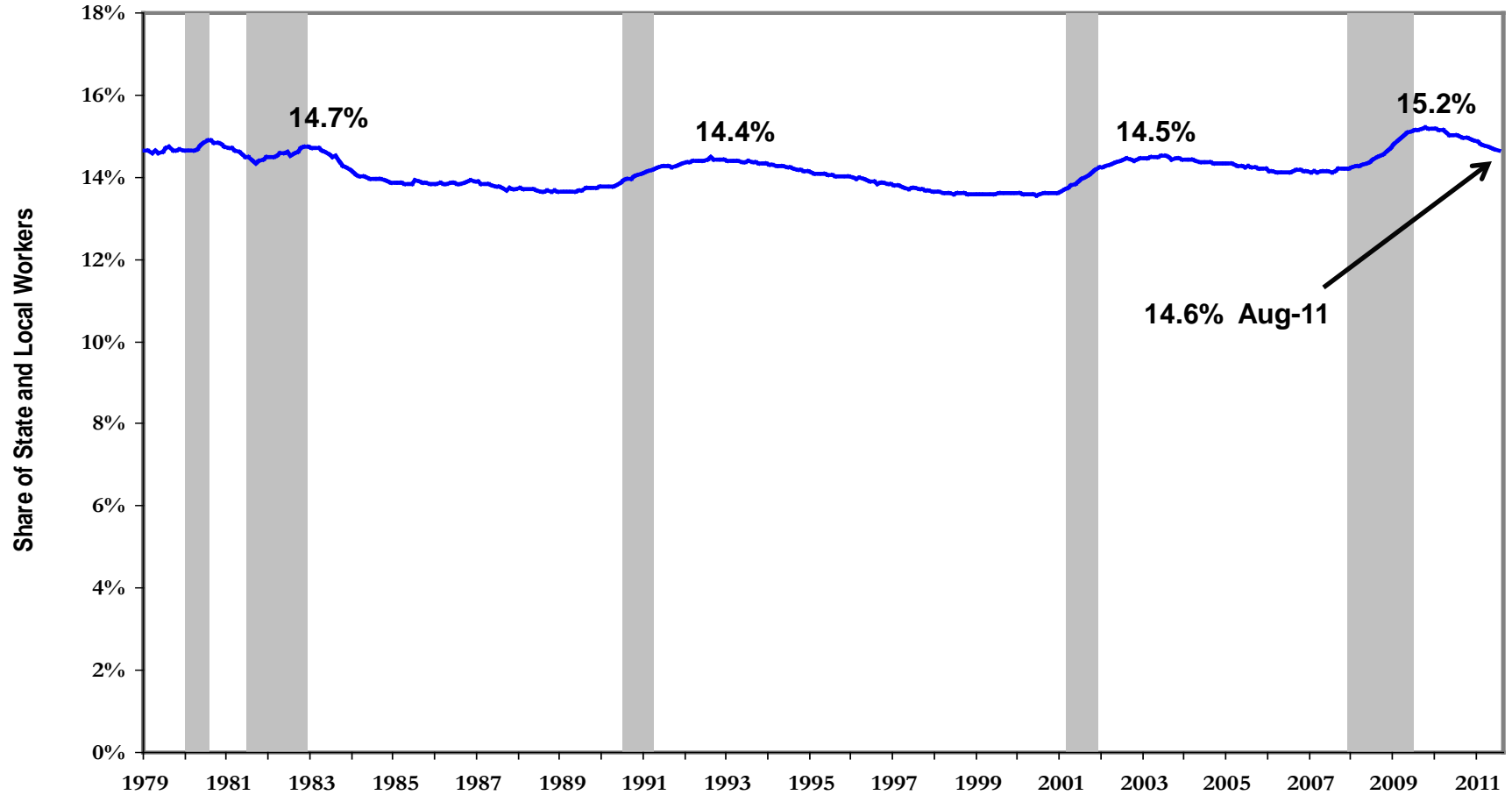
Note: **1% and *5% significance levels.
Source: Allegretto & Keefe CWED Brief October 2010.

Allegretto Council 57, 2011

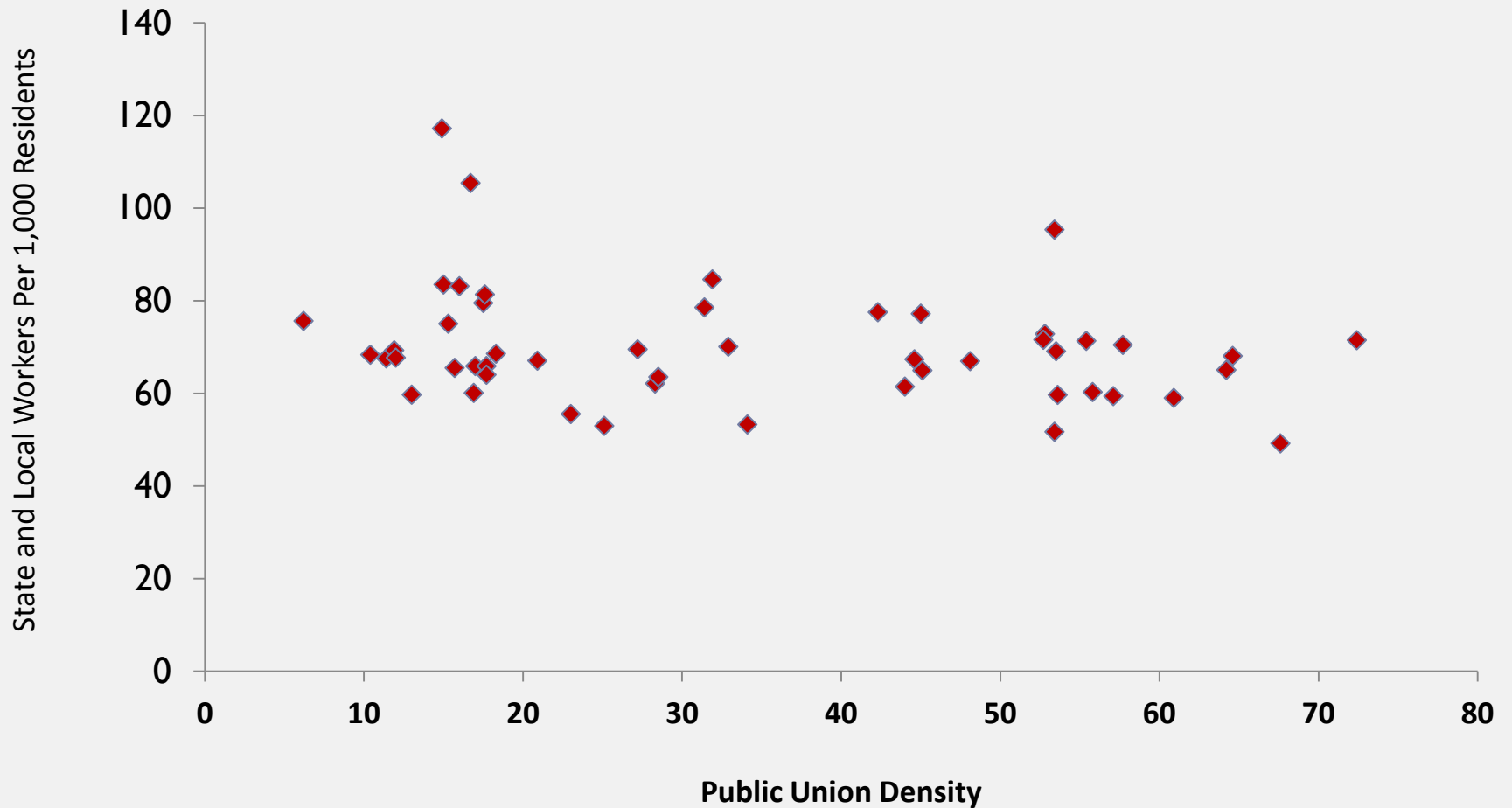
High Public Union Density Does Not Mean More Public Workers



State and Local jobs as a Share of all jobs



Public Union Density and S&L Gov't Workers



It's the 8 TRILLION dollar housing bust & Great Recession!

$$\ln Gap_{st} = \beta_0 + \prod \pm X\xi + \beta_1 \ln House_{st} + \lambda \cdot unemp + \varphi \cdot edu + \sum_{h>0}^H \ln hrs + \varepsilon_{ist}$$

where : $0 < R < \infty$

$$\lim \varphi \cong .271 \text{ and } \prod_{\alpha>\phi}^{>\infty} b$$

****this is a joke!!****

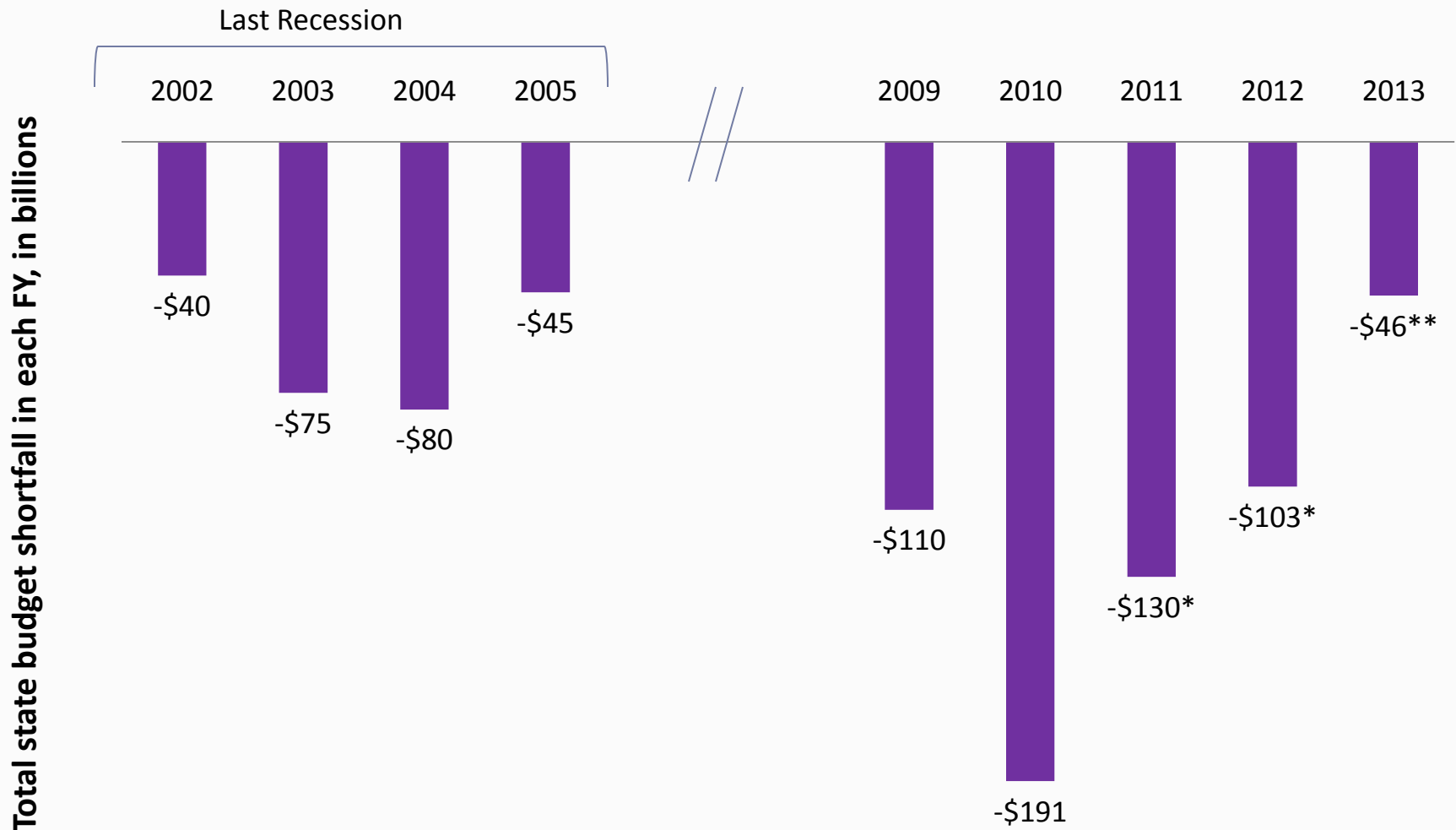
The Housing Bust

Specifications		(1)	(2)
Controls:			
Public sector union density	coeff	0.245*	0.114
	se	(0.097)	(0.082)
House price decline	coeff	--	-0.561**
	se	--	(0.11)
Set of union dummy variables		N	N
Adjusted R ²		0.096	0.421

Note: **1% and *5% significance levels. FHFA State house price change 2005-10. Unionstats.org 2009 public sector union density. Union effects from AFSCME compiled data.

Allegretto Council 57, 2011

Largest Shortfall on Record



*Reported to date ;** Preliminary
Source: Center on Budget and Policy Priorities 2011

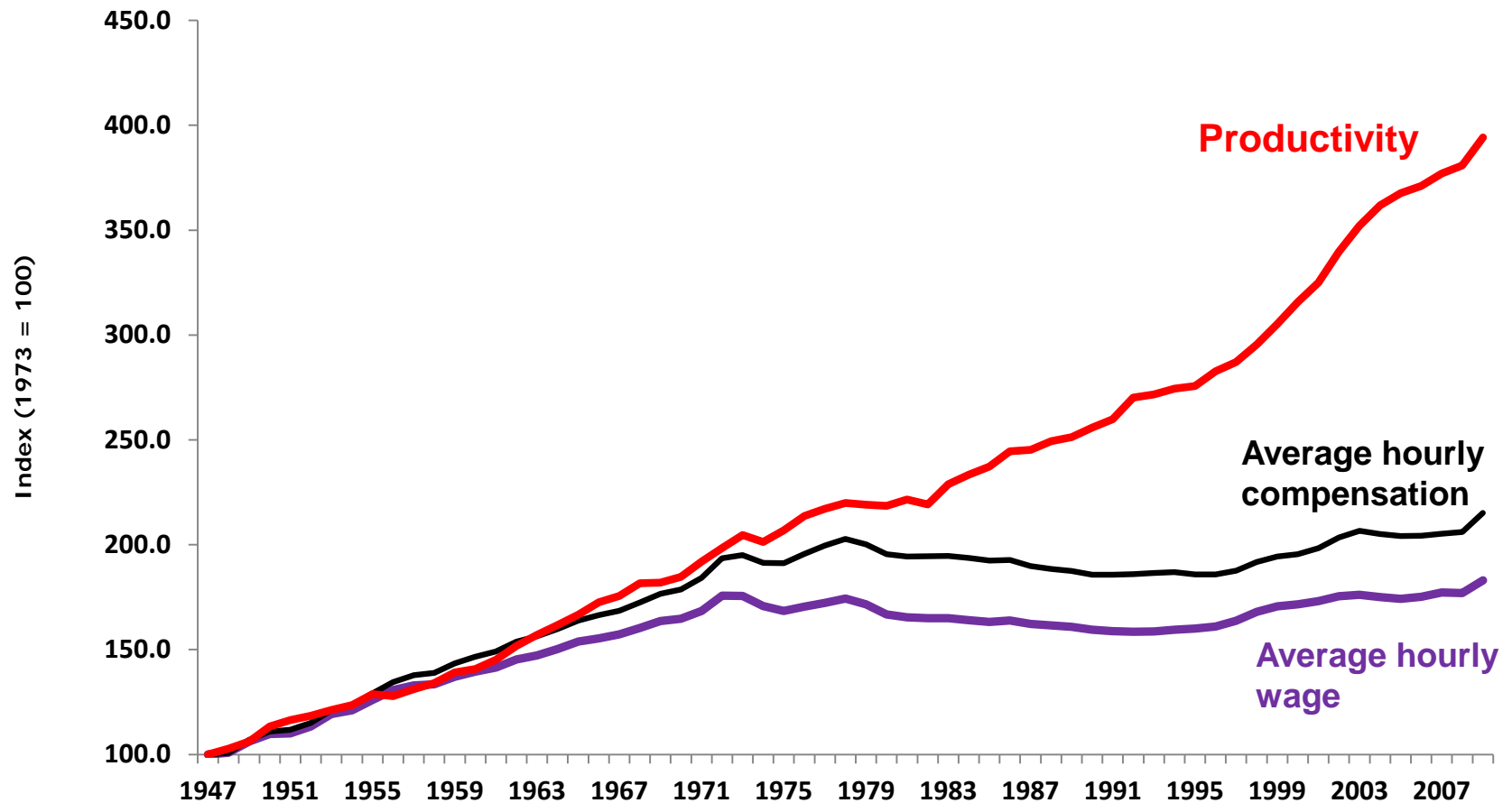
What the hell has been going on?

The “Free Market” is
BS rhetoric

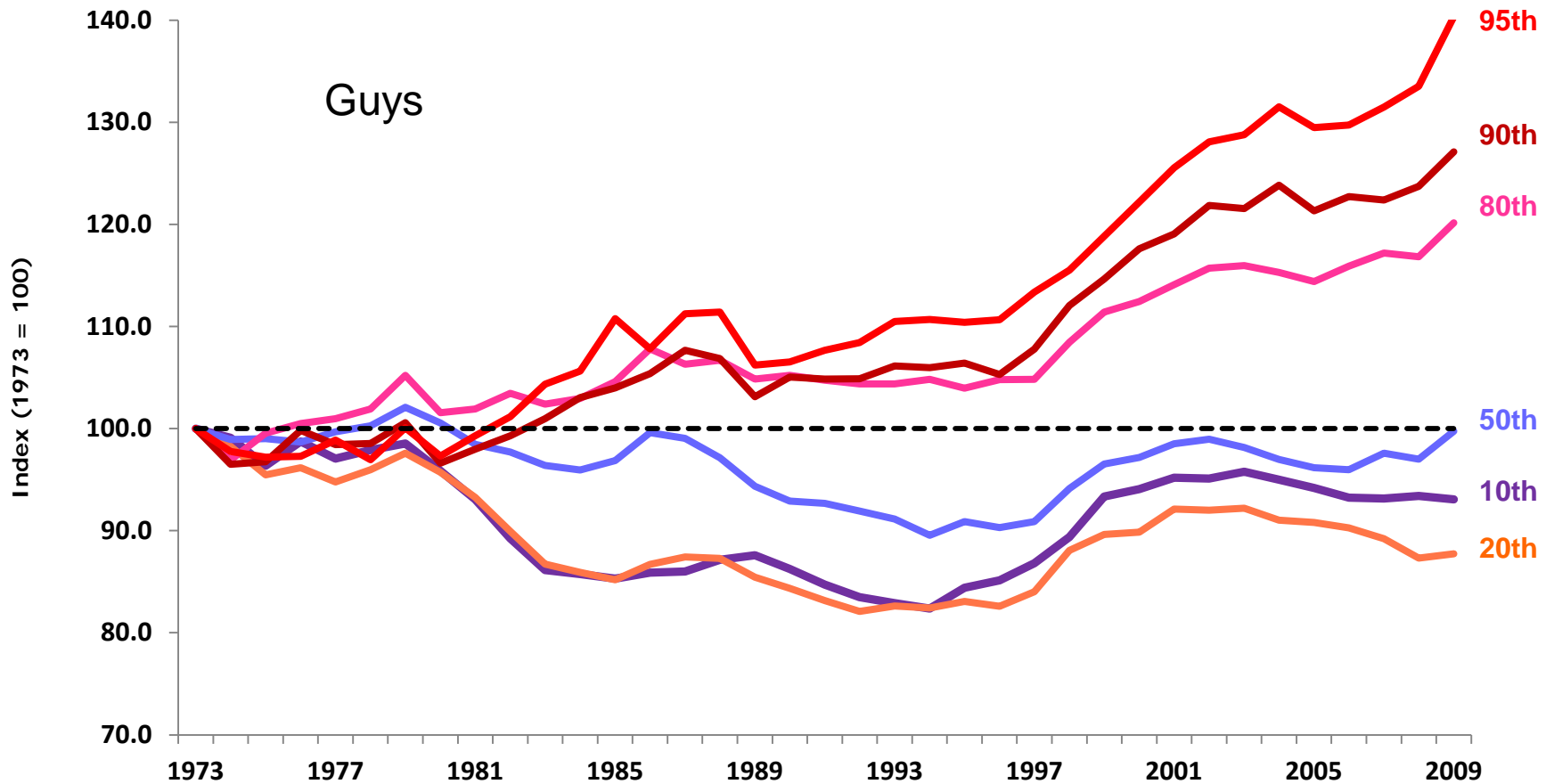


“I am trying to enjoy the fruits of my labor...”

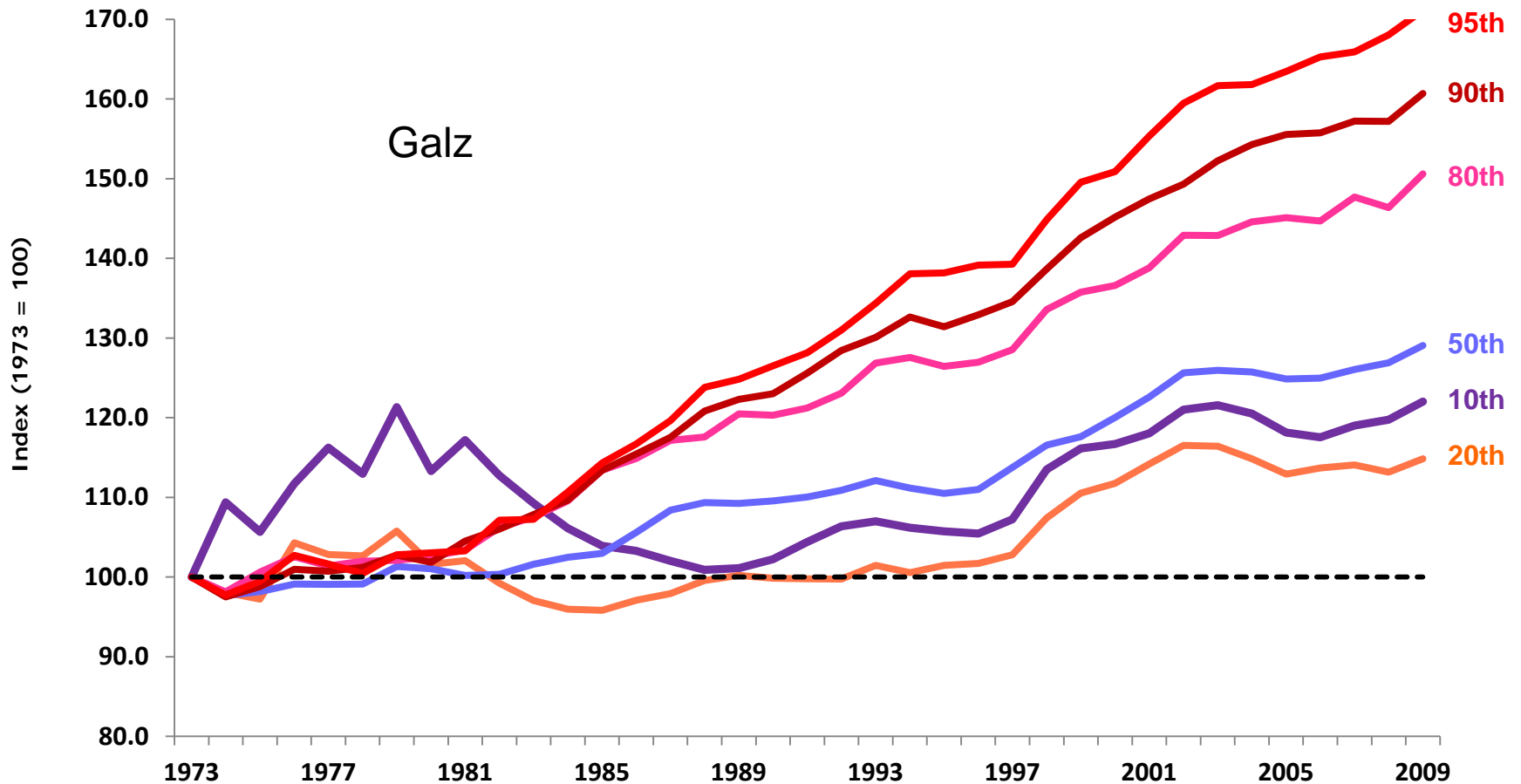
~Lucinda Williams



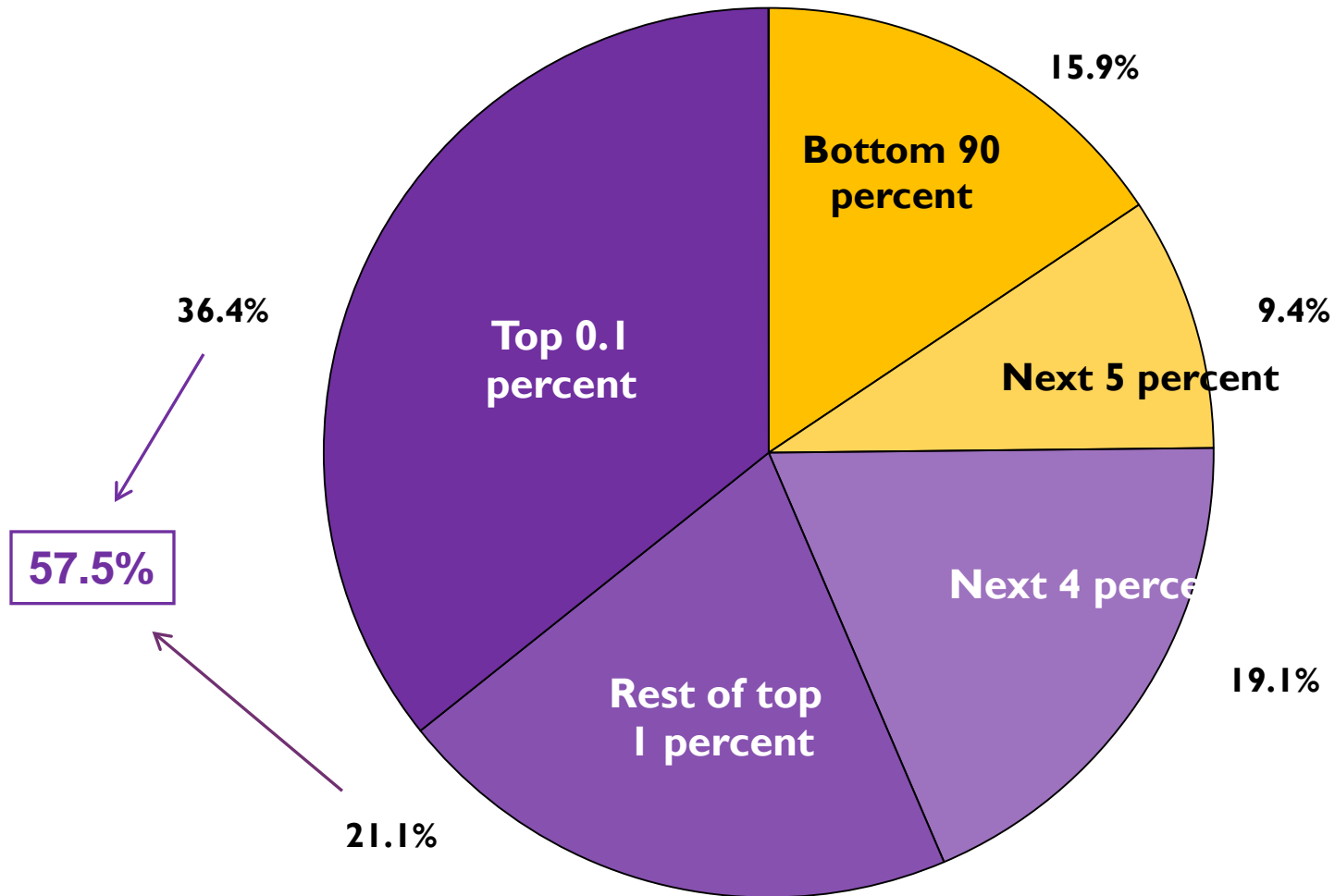
Widening wedge of wage inequality



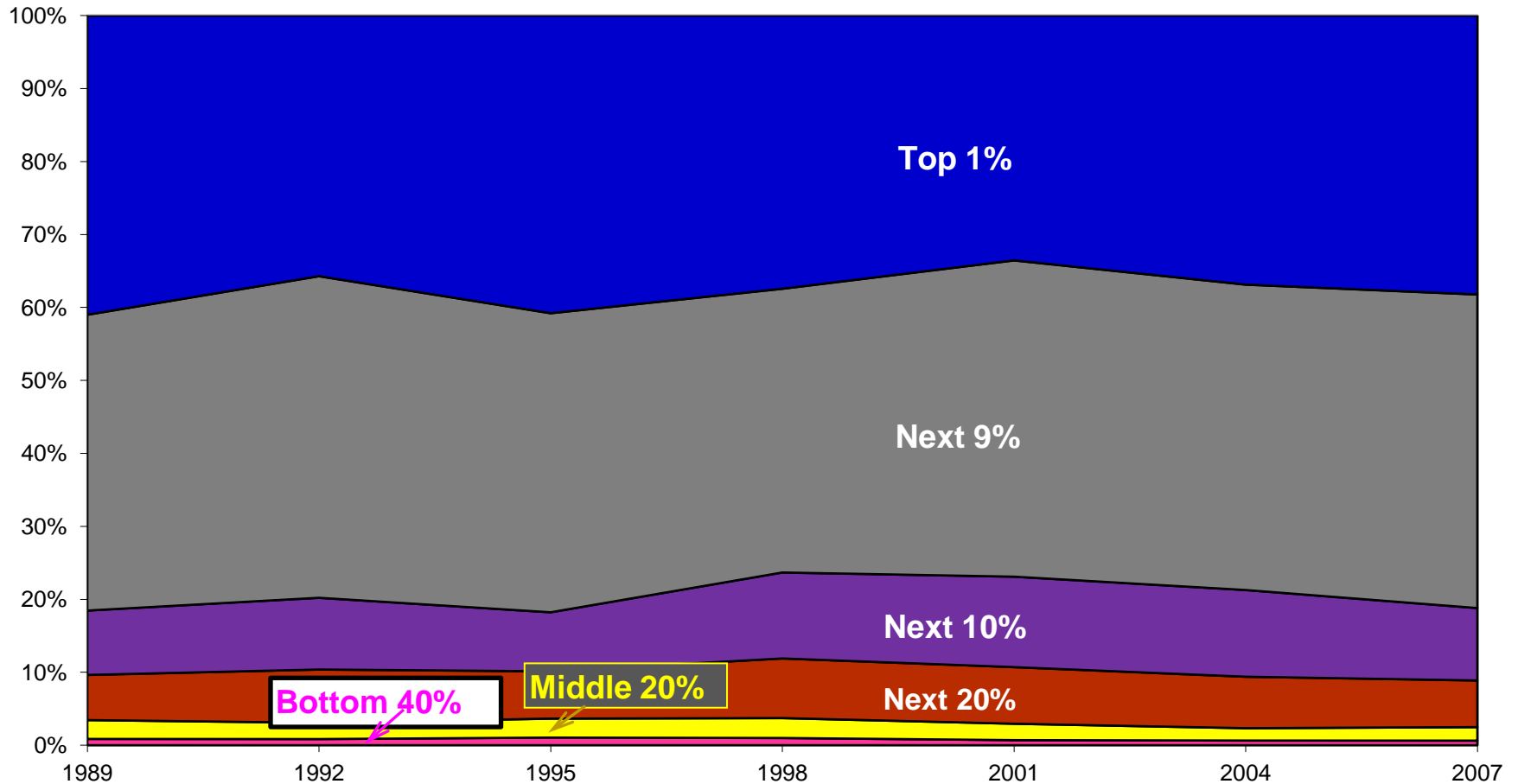
Widening wedge of wage inequality



The not so invisible hand



The Dow ain't gonna save you



Source: Allegretto 2011.

Allegretto Council 57, 2011

A question of ideology...

A century of change in reverse:

- ▶ **Unions leveling the playing field**
- ▶ **Progressive tax structure**
- ▶ **Investments in education**
- ▶ **Workers' compensation**
- ▶ **Unemployment Insurance**
- ▶ **Social security & Medicare**
- ▶ **Child labor laws**
- ▶ **Pension plans & dignity in retirement**
- ▶ **Employer provided health care**

Oh, Oh, Oh, Oh just like a YoYo

~The Osmonds 1971 smash

hit

#3 Billboard Hot 100!

- Rise & fall on merit or luck
- Doubling down on free market ideals
- Dismantling of public services & goods
- Shrinking social & worker safety nets
- Anti-labor sentiment & regulation
- Erosion of workers rights
- Shifting the tax, health care & retirement burden to workers
- Vilified public sector workers & government

The United Corporations of America?

**A Plutocracy of the 1%,
by the 1%, for the 1%**

