

# **Stuff you should know**

**(to Win Arguments and Influence Nutjobs!)**

## **Council 57 Leadership Conference 2011**

Santa Clara, CA

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# Econ 101

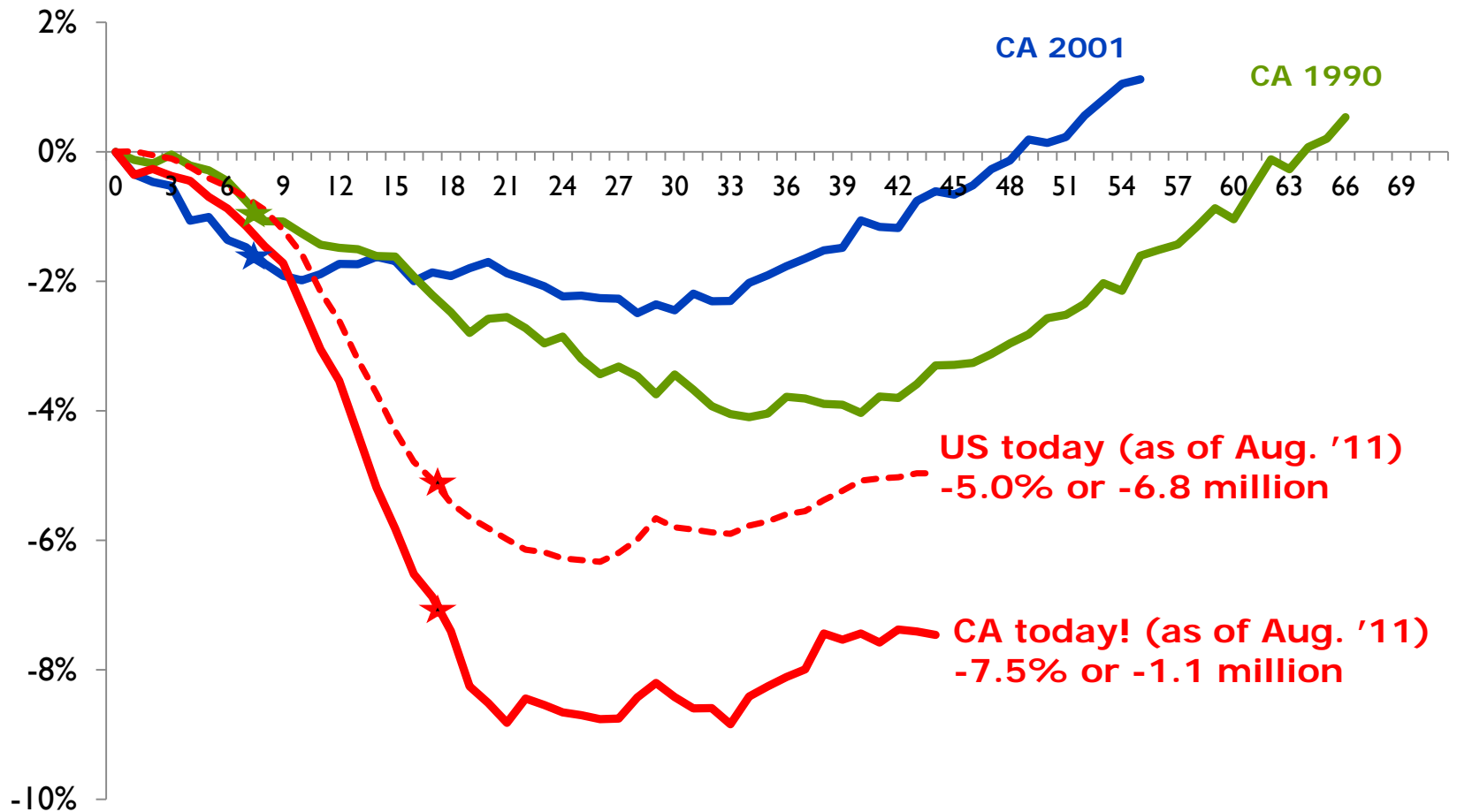
(in very colorful but not so pretty pictures)



- **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**

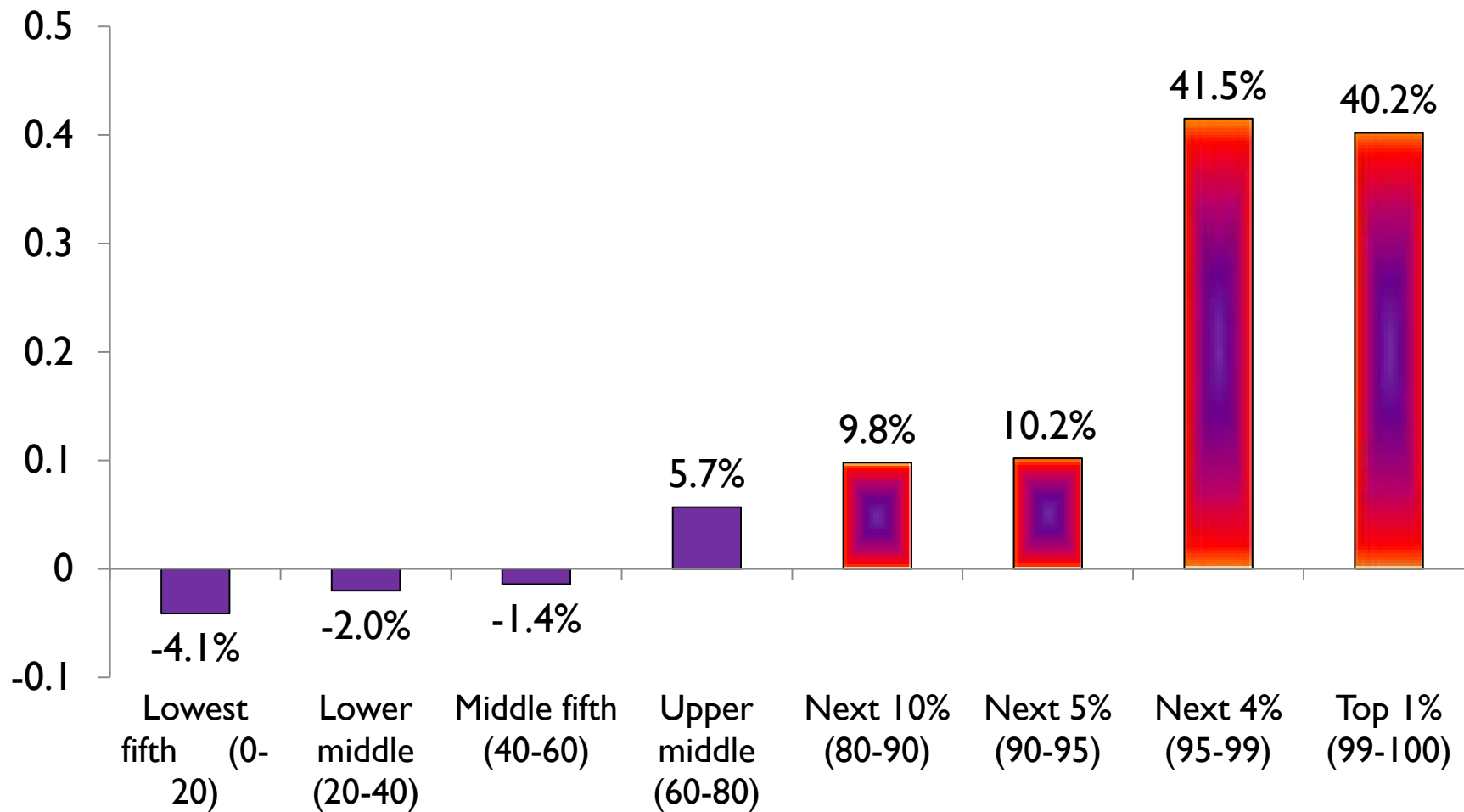


# The only deficit that matters...



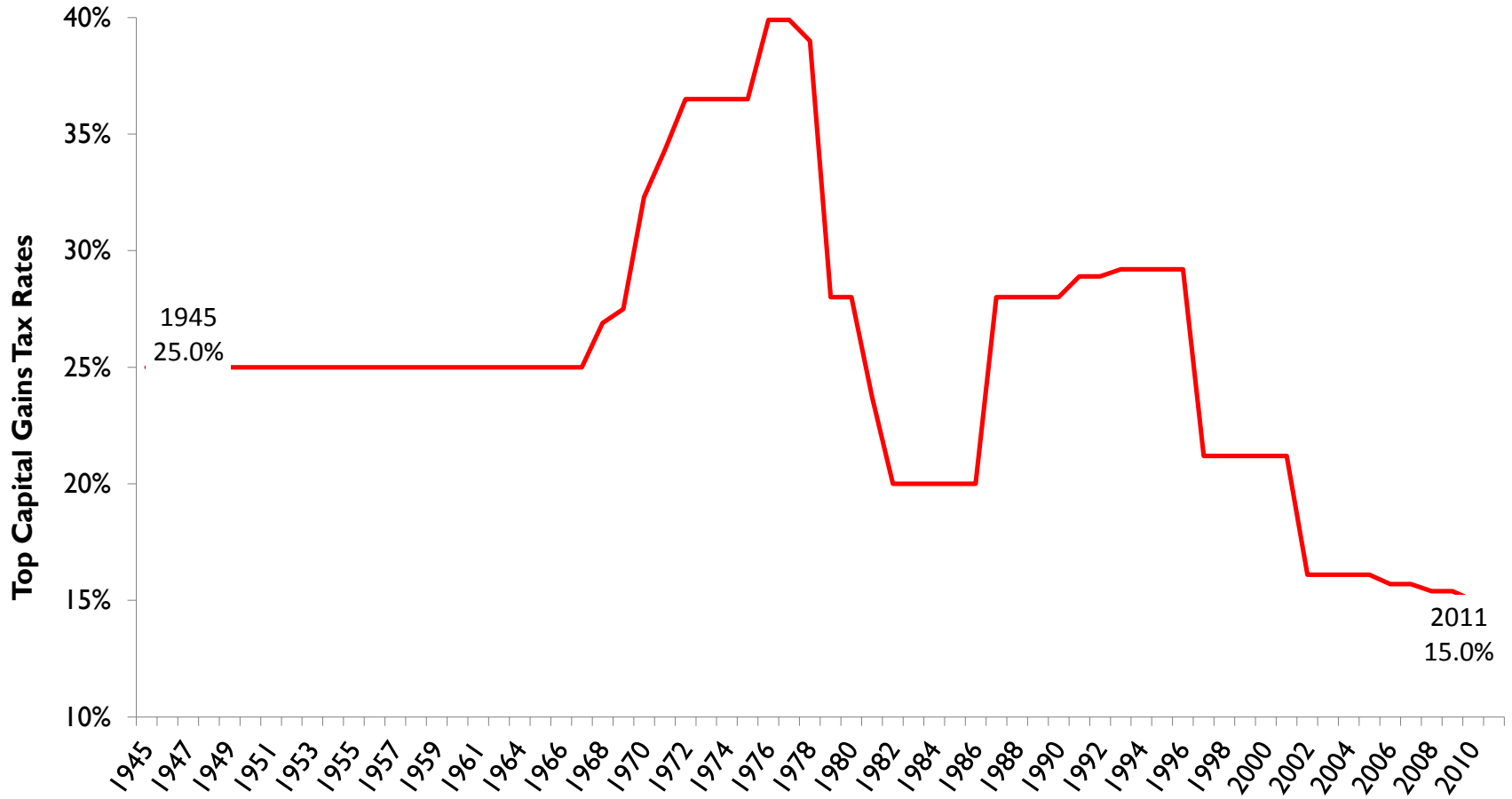
# The rich are getting richer!

## 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!!!**

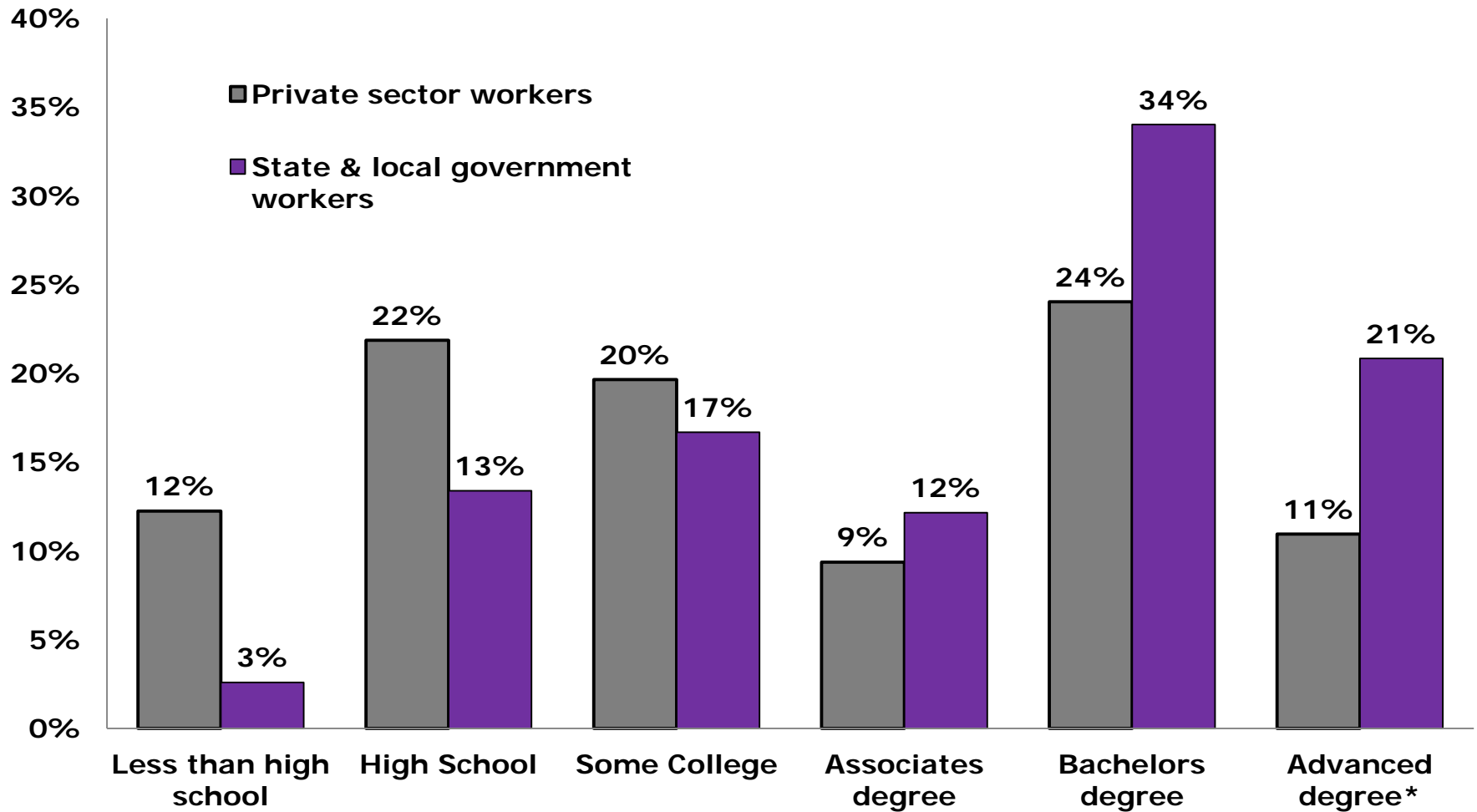
### **Brought to you by the Wizards of Wall Street & the Banksters**

## ***CEOs of Bell.***

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

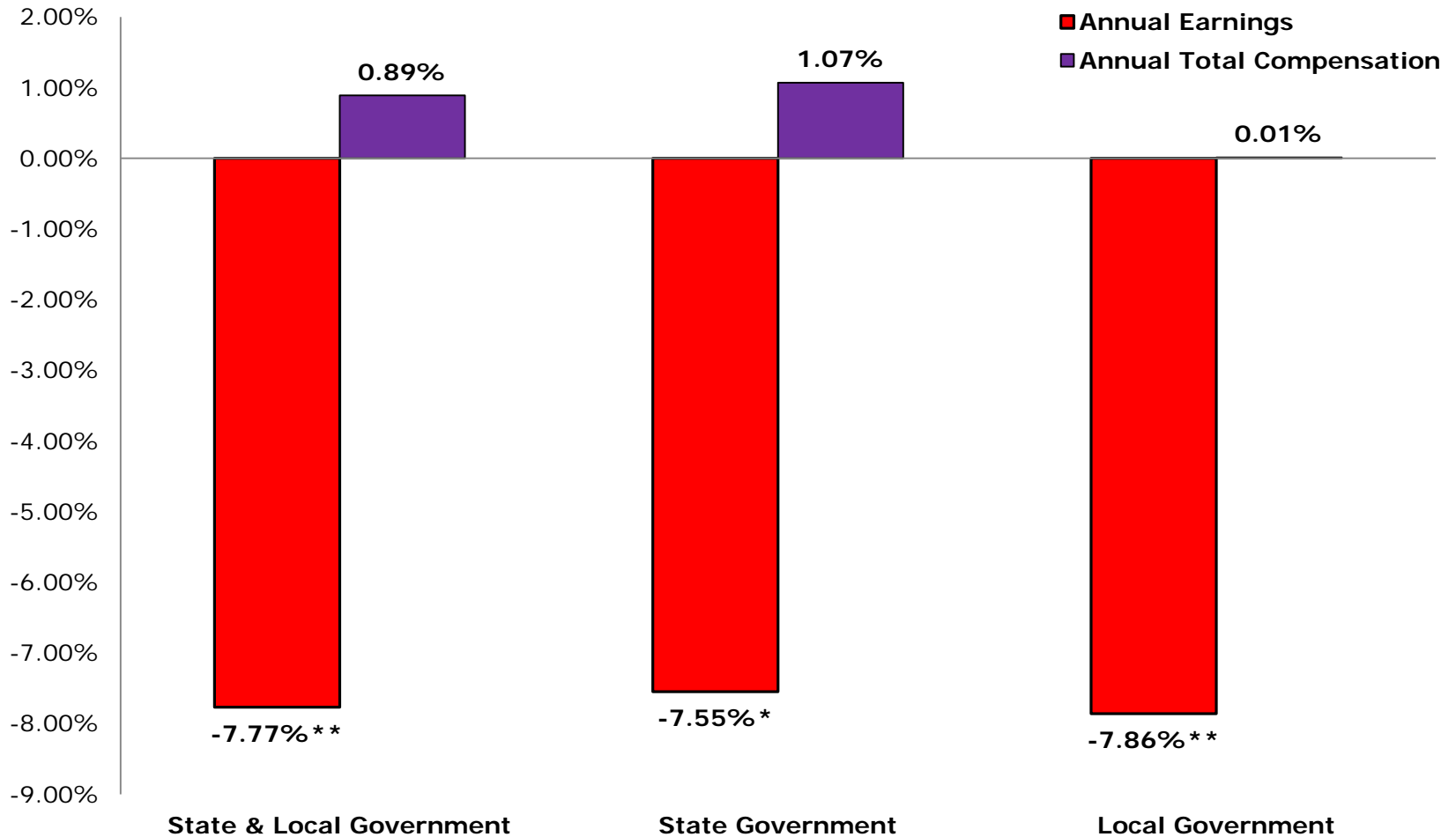


# Educational attainment of California's workers





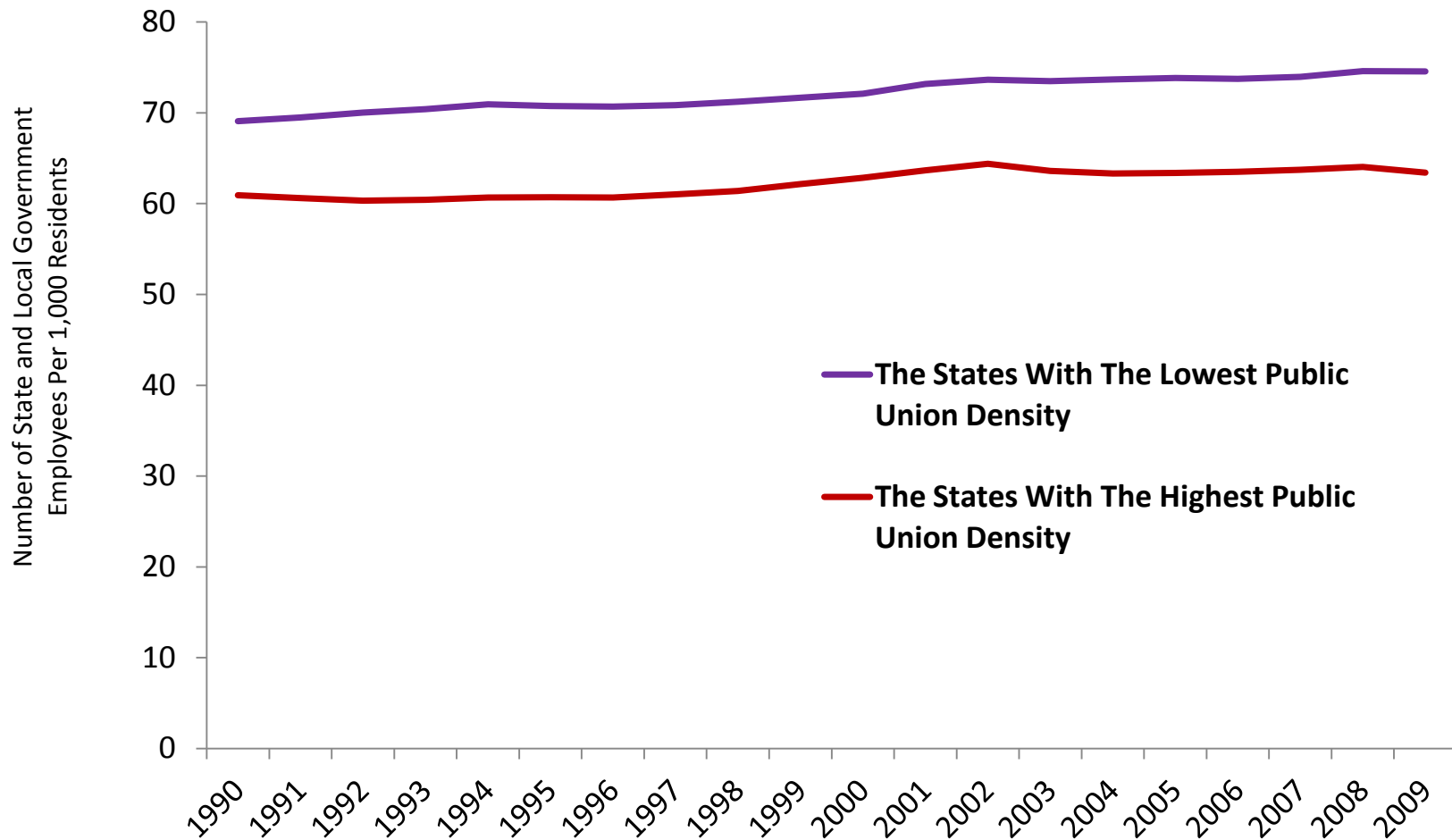
# Comparison of CAs public vs. private sector earnings and total compensation



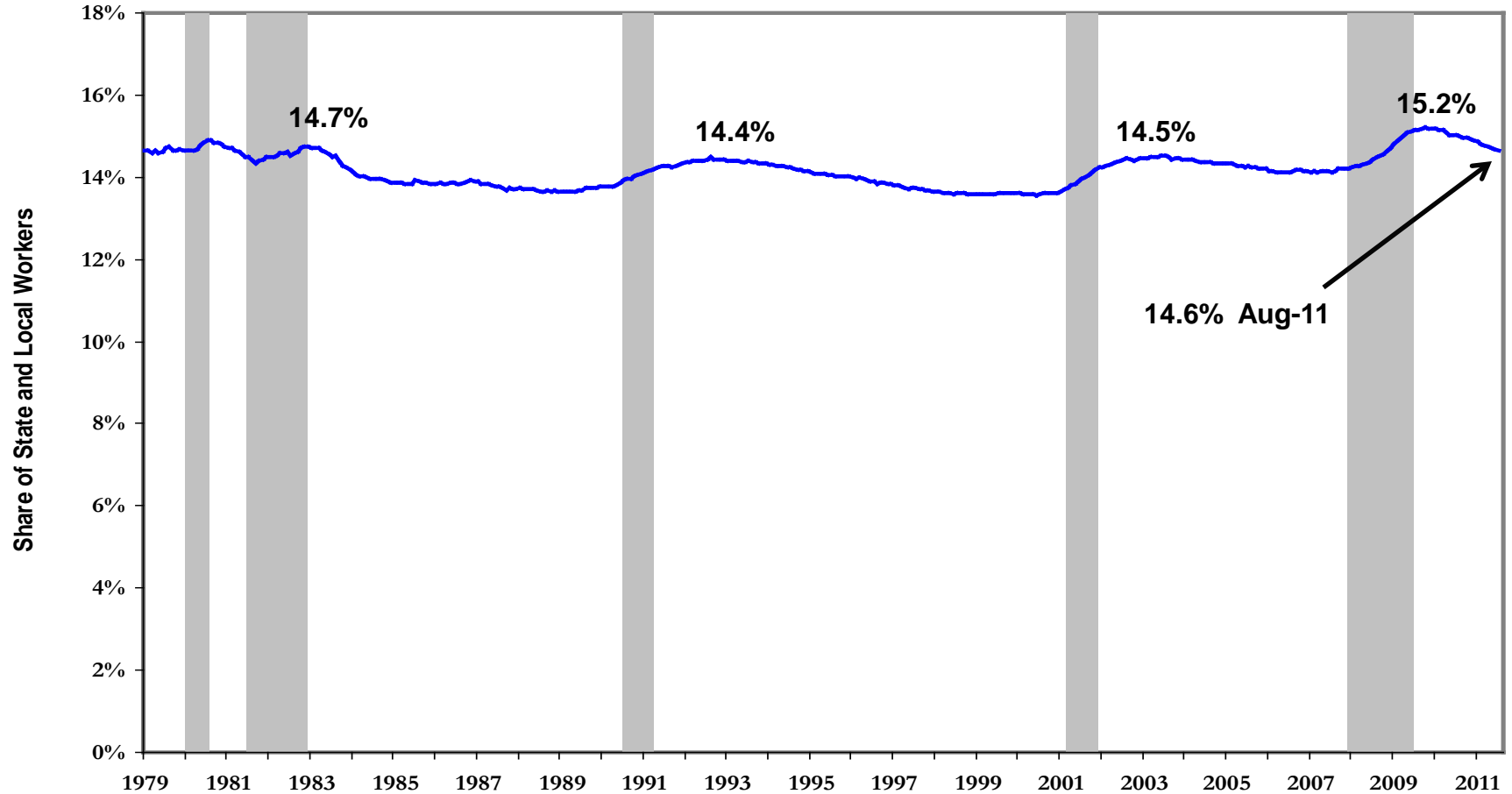
Note: \*\*1% and \*5% significance levels.  
Source: Allegretto & Keefe CWED Brief October 2010.

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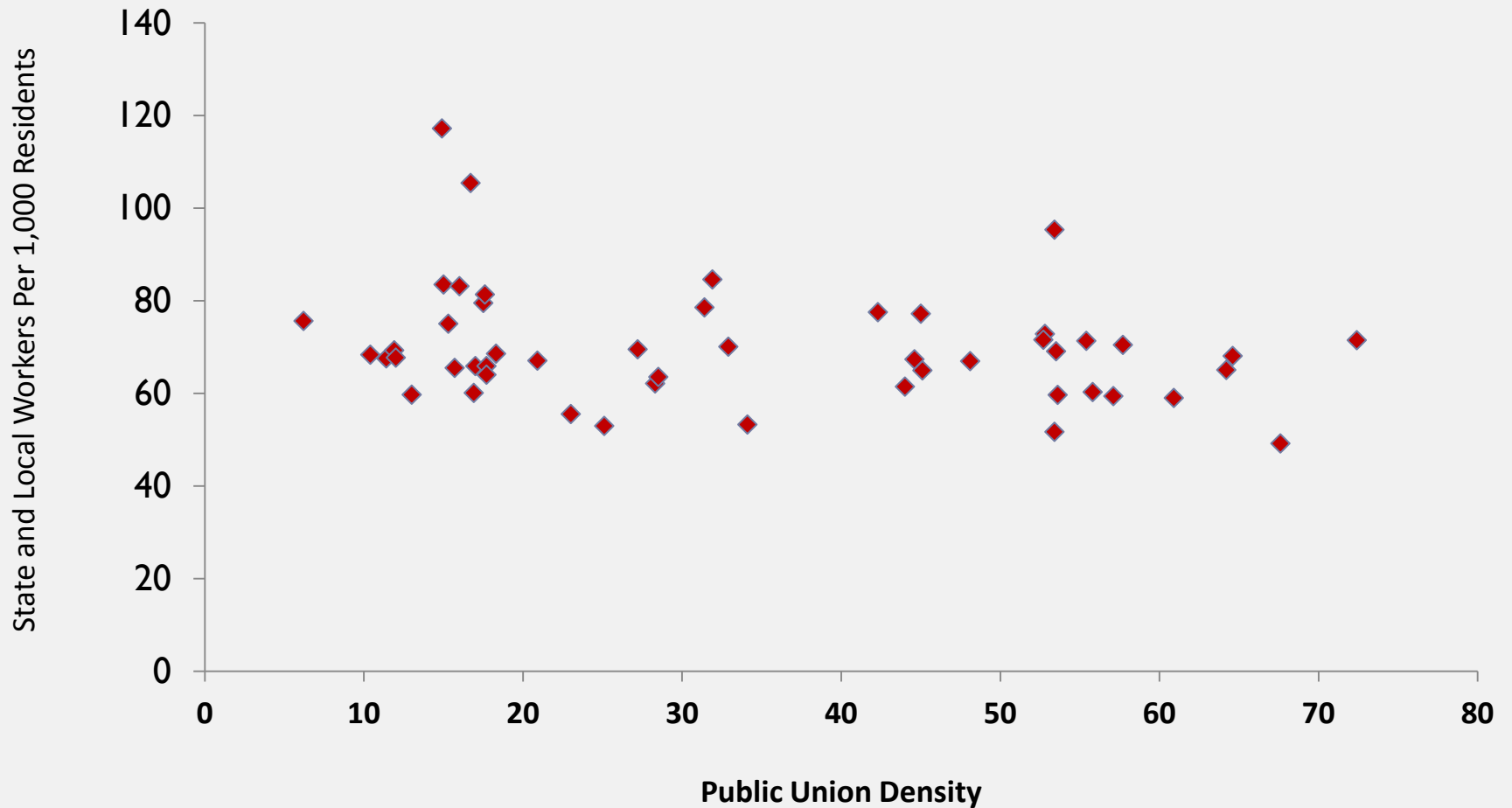
# High Public Union Density Does Not Mean More Public Workers



# 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 :  $0 < R < \infty$

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

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

# The Housing Bust

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

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.

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# Largest Shortfall on Record



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

**What the hell has been going on?**

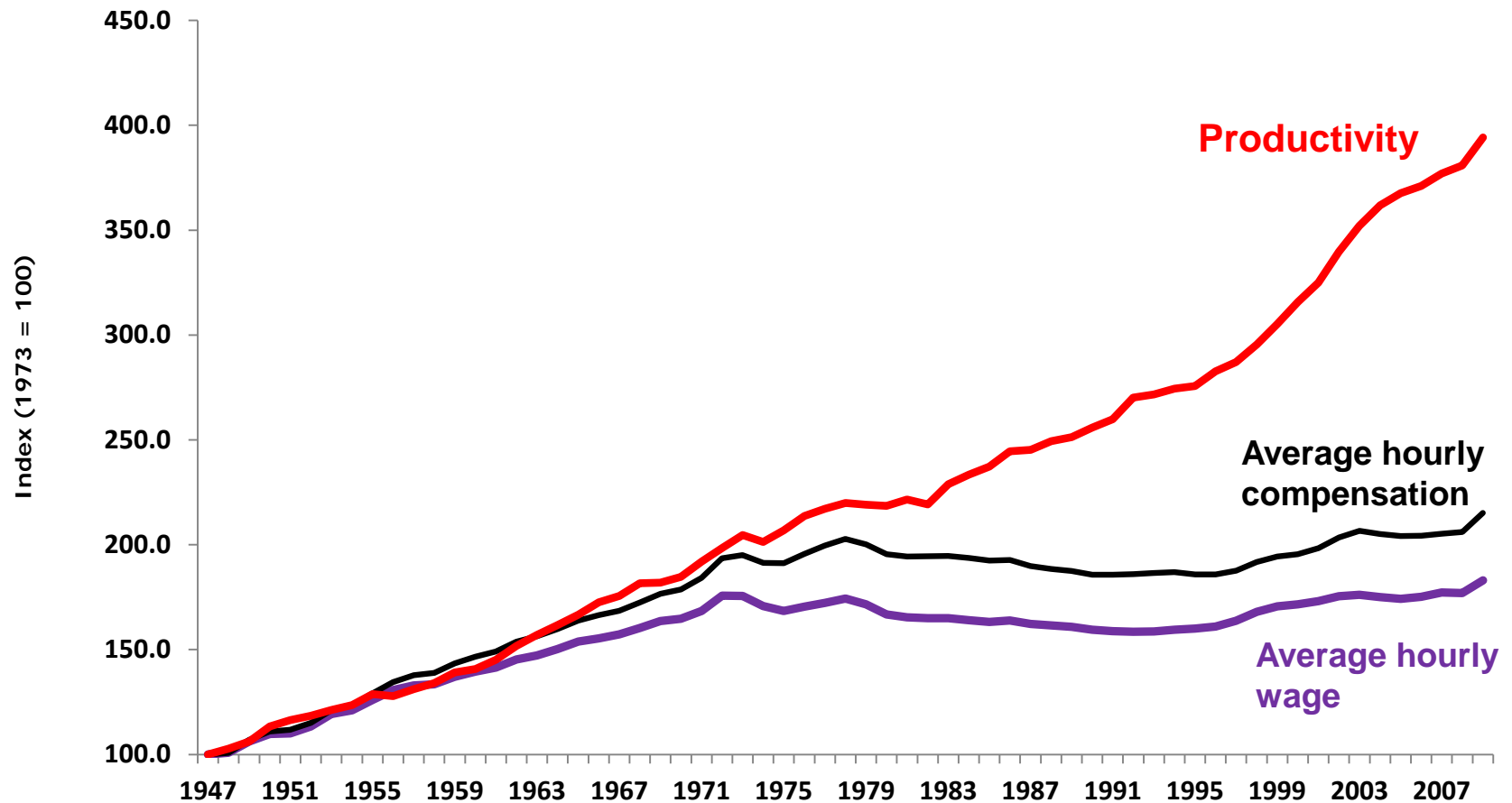
The “Free Market” is  
BS rhetoric



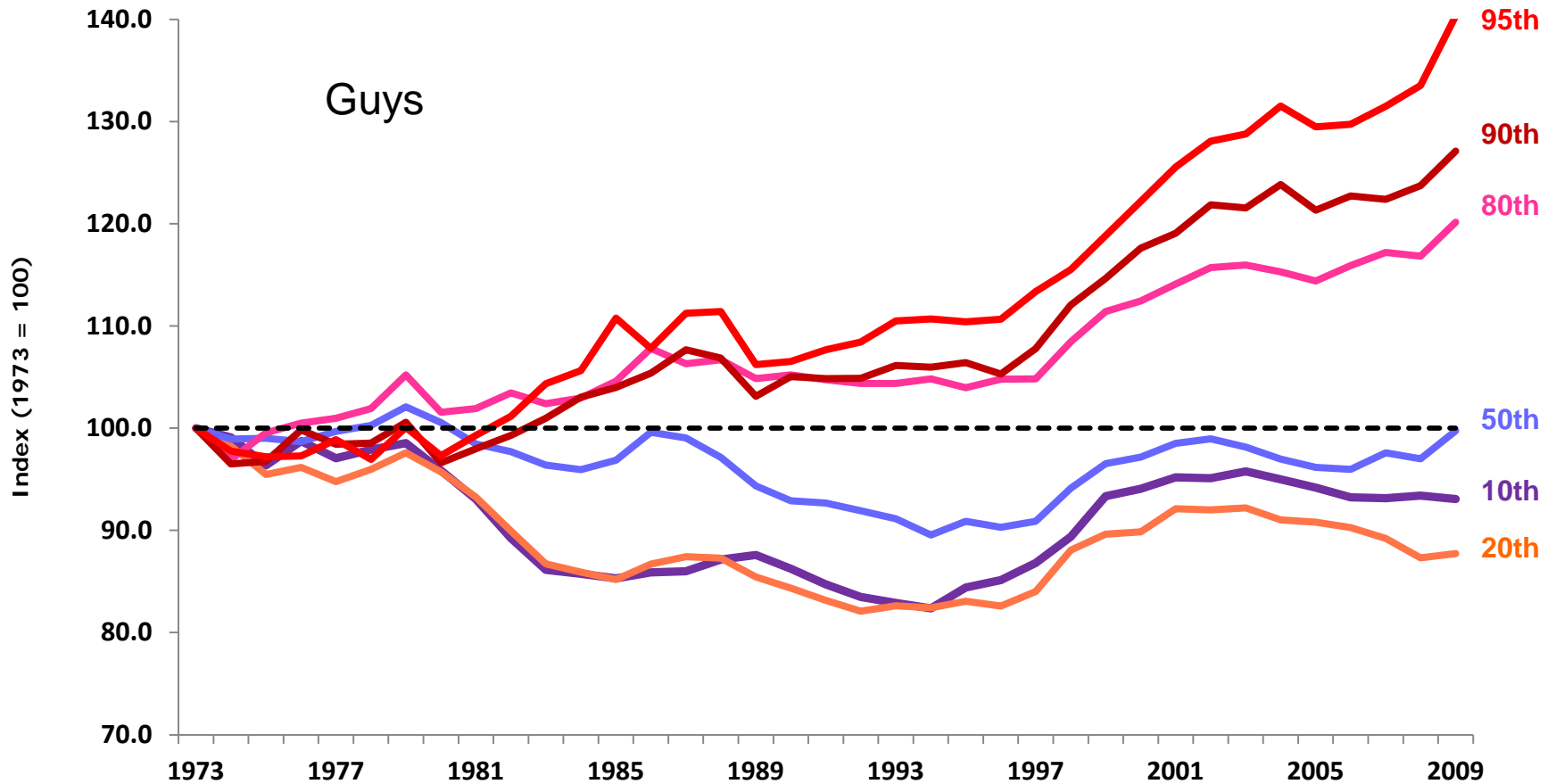


**“I am trying to enjoy the fruits of my labor...”**

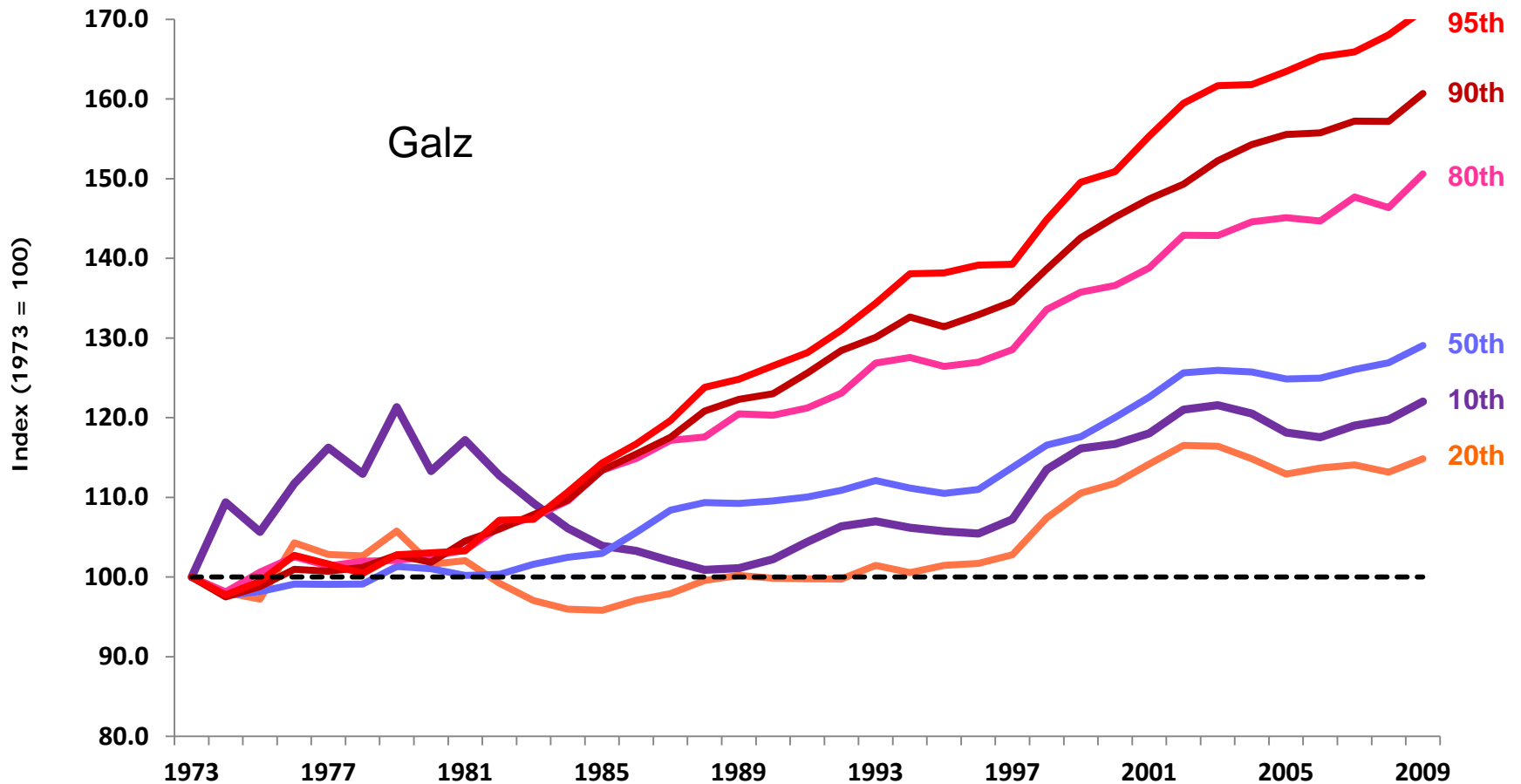
**~Lucinda Williams**



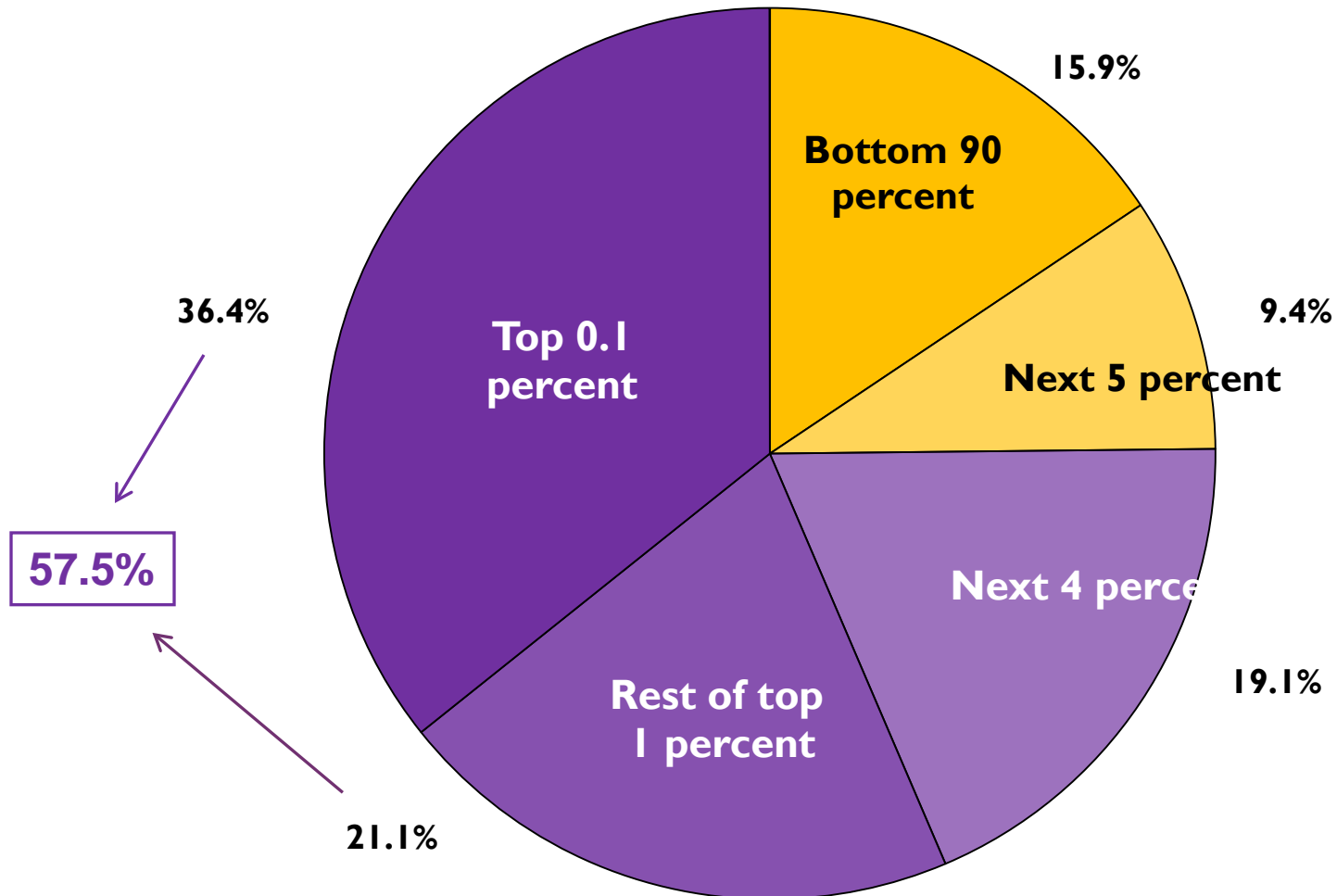
# Widening wedge of wage inequality



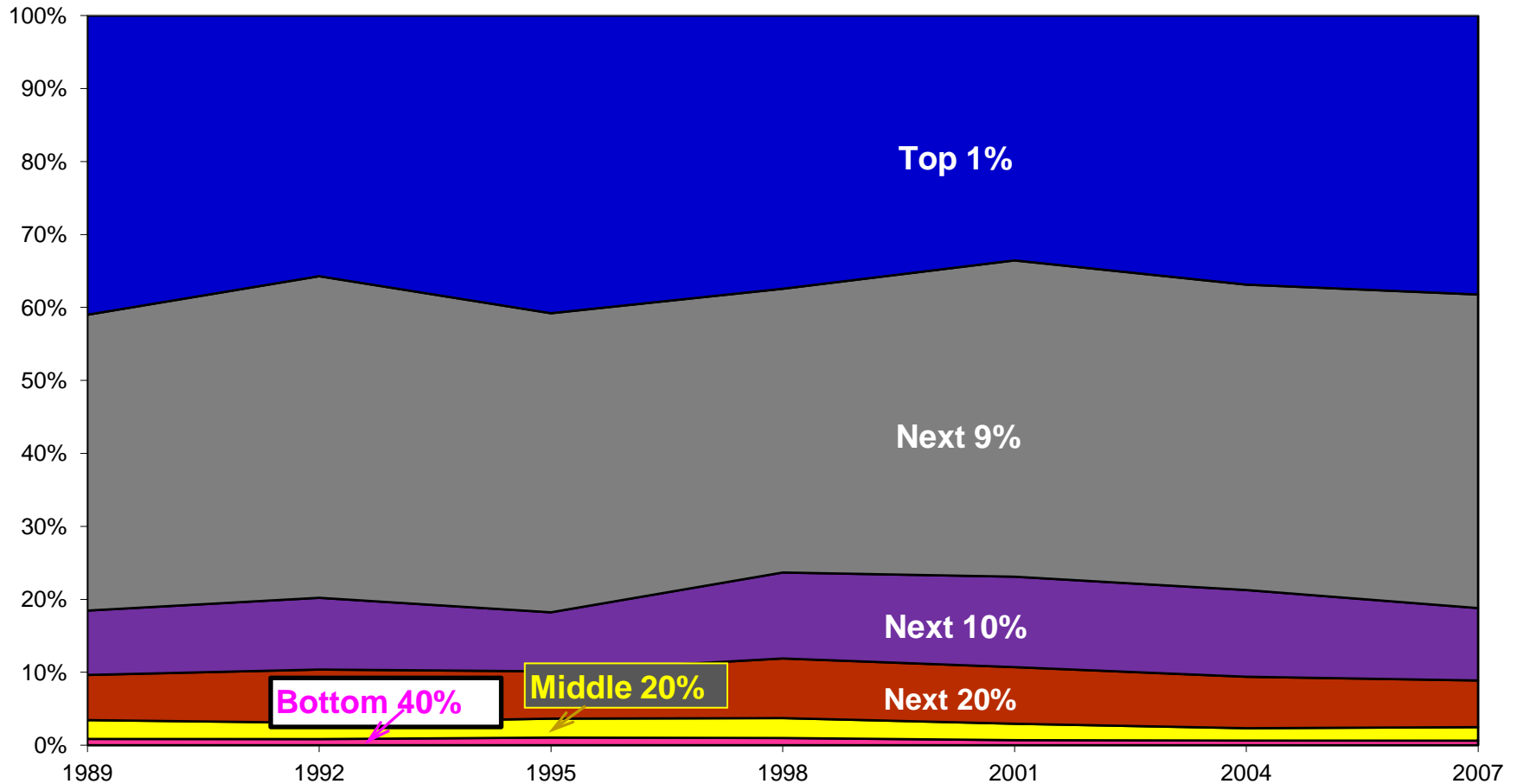
# Widening wedge of wage inequality



# The not so invisible hand



# The Dow ain't gonna save you



Source: Allegretto 2011.

Allegretto Council 57, 2011

# ***A question of ideology...***

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## **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%**



