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"When plunder becomes a way of life for a group of men living together in society, they create for themselves in the course of time a legal system that authorizes it and a moral code that justifies it."

Frederic Bastiat

UNIONS AND STATES

By

Neal Boortz

@ April 6, 2010 8:38 AM Permalink | Comments (29) | TrackBacks (0)

No secret here. I'm not fond of unions, and I'm particularly not fond of



government unions. This country would be so much better off if FDR had managed to have his way and forbid government workers to unionize. Government employee unions are a pestilence, a plague. They're worst than the baddest locust swarm you've ever imagined ...though not nearly as smart and hard working. Oh ... and government employee unions eat taxpayer money instead of crops.

The Cato Institute did a little study on states and their rising debts. Interestingly enough, they discovered something common among states with high per-capita debts.

That something in common would be a high level of unionization of government employees. Yup, the states with the highest per-capita debt also happened to be the states with the largest government union workforces. You can see a handy little chart <u>if you click here</u>, but here are some of the details:

Among states whose government workers are less than 40 percent unionized, median per capita state debt is \$2,238.

Among states with between 40 and 60 percent of their government workers in public sector unions, the average debt is \$3,609.

Among states with more than 60 percent of the government workforce unionized, the average (median) per capita debt is \$6,380.

I am reminded of <u>a wonderful column</u> I highlighted a few months ago about the difference between private and government unions. The difference is quite simple but incredibly important: Government union members know that the government is not going to go out of business. The same cannot be said for unionized workers at private companies. The government unions, then, can push their demands to the absolute limit knowing that their employer will simply have to pay up eventually. The union mentality is that all the employer - the government - has to do is just simply raise taxes to cover the cost of their new contract and expensive health and pension plans.

This profound difference is the reason why states like those described above are drowning in union contracts. As I said, the states can't just "go out of business," so their solution is either renegotiate contracts - which isn't all that popular an option for politicians who want to be re-elected with the union seal of approval - or you raise taxes. You know where the story goes from there ...

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Jamie Dupree's Blog

If you enjoy Neal's daily chat with Jamie Dupree, you'll love <u>Jamie's Blog</u>! Check it out for analysis of the campaigns and goings on in Washington D.C.

Cristina Gonzalez and Laura Nunemaker assist in the daily preparation of Nealz Nuze!

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What others are saying

how to reduce government employee pay

It has been well documented that government employee pay is significantly higher than equivalent private sector jobs. Therefore, it should be mandated that any government job that can be completed by the private sector for less money MUST be completed by the private sector.

That's the quickest way to either reduce government payrolls or get their pay in line with their private sector peers.

Next, the overly lush benefits and retirement packages need to be repealed, even it requires governments filing for bankruptcy. The retirement packages alone are obscene relative to the private sector. I grew up in the Washington DC area and it was well understood then that government employees got paid less in exchange for greater job security and better benefits. The unions have enabled this to happen.

Finally, we need to repeal the right for government employees to unionize. Why do government employees need a union? They don't work in dangerous turn-of-the-century factories.

By Fred Garvin @ 04/08/10 09:11:42 AMreport abuse

California Public Pension shortfall

According to a study by Stanford released by the Governor yesterday, California's public pensions are underfunded by \$500 BILLION dollars. The rich are greedy and evil? They at least spend their money and create jobs. The union bosses write work rules that retard growth, innovation, and artifically inflate labor costs at tremendous cost to society.

By Dave C @ 04/08/10 01:33:14 AMreport abuse

ryan, Boortz might be a bore, but at least he's not dumb as a tree. You are. The Rich, as you assail them, provide for all the handouts you enjoy, all the social programs, everything. Because The RIch pay all the taxes in this country. Eliminate Wall Street, goodbye NYC subway, goodbye Public Schools, goodbye Parks and Recreation.

You, I'm guessing, don't pay any taze. So, to revisit, try to be just a little less stupid, get a job, pay some taxes, contribute, see how it feels to actually be productive.

By anonymous @ 04/07/10 11:18:44 PMreport abuse

Unions and States

Bro, in three bullets you went from median to average to something new average (median). Tighten up! The message is right. Keep it clear!

By srgasink @ 04/07/10 07:42:10 PMreport abuse

unions

the union is ultimately successful when the business or govt goes out of business. They didn't give in. Look at the UAW. They would give in until the govt took over. Unions only care about raises no matter how many teachers they lose. So they are not interested in the wellbeing of the students. In Naugatuck, they got a 3% increase each year. The union head said "well I guess the teachers aren't worth anything". The private workers are losing jobs, taking paycuts, and this rep says this. Well I know that is not worth anything.

By ischmidt @ 04/07/10 06:24:43 PMreport abuse

Unions

Unions best serve the stupid and lazy.

By Ed Takacs @ 04/07/10 06:23:17 PMreport abuse

@D, re. median and mean

What does that matter in this case? He's calculating per capita debt, If you're not ranking anything, median

means nothing. Cato's analysis is fine in this case: total debt divided by population.

By Mark @ 04/07/10 06:21:56 PMreport abuse

Controllers should remember this

I've heard Neal talk about flying. FAA controllers should remember that he thinks they are a plague, and a parasite next time he flys and ensure that he is last in line for his destination airport. Make sure every other aircraft in the sky gets priority over him. See how he likes that crap!

By ATC @ 04/07/10 06:07:18 PMreport abuse

RCP

Woohoo! Neal made RCP again!

By Dave @ 04/07/10 05:51:57 PMreport abuse

Re: I Love unions

There was a time that unions served a purpose. For the most part that purpose has been served. Today unions are loved by the poor to mediocre employees and abhored by the talented and ambitious. Although you scoff, there are plenty of avenues for recourse if you are mistreated by an employer. Of course the BEST recourse is the one that is being slowly eroded by government rules and regulations. And that is, if your employer is mistreating you, walk! The government has made that option very difficult by fostering an economic climate that stifles the free market and punishes the successful. Of course the biggest thing they do to keep you tied to your employer is by making sure the majority of working Americans get their health insurance via their employers. Nothing will lock you into a job tighter than the fear that, if you leave, your loved ones wont be able to see a doctor if they get sick or injured. I think most people would call that a hostage situation.

By MinnMan @ 04/07/10 05:23:25 PMreport abuse

The richa are greedy and evil

This Boortz is a right wing bore.

By ryan @ 04/07/10 04:52:27 PMreport abuse

One more difference

The other key difference between public and private sector unions is that private sector unions can't directly influence the selection of their bosses. But through endorsements and campaign contributions, public sector unions can determine who wins elections and thus who they will be negotiating with. This is particularly true at the local level, where most officeholders are obscure and voter turnout is light. I think it should be illegal for any organization--for-profit, non-profit, or union--to endorse or contribute to any candidate for an office in a government with which they have a contract, or to receive a contract from any government to which they endorsed or contributed to a candidacy in the previous election.

By Jim @ 04/07/10 04:27:29 PMreport abuse

Unions

Public sector unions probably should exist, but the problem is their ability to get involved in politics. If you were helping keep your boss in his job he probably would not want to push you around.

Also civil service unions can influence judges as well, so in state like California they could actually block furloughs.

I do not know the answer to this, but I do know the unions have one bad thing going for them in civil service. Most of them enabling politicians are getting thrown out and being replaced with tough SOB's like Chris Christie in NJ. These guys are being hired by taxpayers just to knock union heads and they most likely will do so with relish.

The civil service unions have made one big mistake. By killing their private sector brethren they do not have the human muscle to outflank the angry taxpayer. A little reasonability would save jobs but alas.

By Craig @ 04/07/10 04:18:43 PMreport abuse

Strategies for busting their deathgrip

Unions represent a small fraction of workers but a huge political powerbase because they are organized. Antiunioners must also organize if they wish to crush the unions.

In CA in particular Unions could be destroyed by a few propositions.

For example if the grossly negligent hiring practices of the state were widely exposed to the public, the public would be outraged, but the state is bound to these practices through union contract.

An amendment initiative requiring good hiring practices would be popular and seriously cripple the power unions have over the state.

Similarly popular moves like voucher programs could break the teacher's union's deathgrip on the state.

Even transfering some union benefits to the state could seriously impact the unions. One of the ways teacher's are strongarmed into joining the union is by providing legal representation for teachers in th event of classroom incidents, etc.

If the state indemnified teachers (which would be a popular measure) and allowed teachers to keep (instead of

merely forfeit dues), it would cripple the unions grip on teachers, and many teachers would opt to keep their dues money.

We owe to the public and to our children, and to the future of our country to organize and destroy these public sector unions before it is too late.

By UnionBusters @ 04/07/10 04:09:48 PMreport abuse

Ruinous Unions

Unions suck the life blood out of all they touch.

The unions combined with poor management ran our auto industry into the ground. Over priced, unskilled labor played a key role in that debacle.

Unions in the government should be disbanned & kicked to the curb.

Ineffeciency is usually associated with unions in most every sector.

Look at the teachers unions. Now look at the results of our schools.

What a rotten scam on the taxpayers.

Look at the thugs at the janitors union (SEIU). Andy Stern, the president of that thug-brigade has visited the Obama White House more than any other visitor.

No surprise there.

By Andy Stern @ 04/07/10 03:57:19 PMreport abuse

But We're Talking About the Government

...not big corporate boogey-men with massive power for evil. If the Federal Government is benevolent enough to run our health care system then why do Government workers need to be protected by unions?

Simply put, unions had a legitimate place in history; however their rigid and adversarial approach to bargaining for more more has long run its course.

By Frank @ 04/07/10 09:00:45 AMreport abuse

Disconnect, indeed!

Mike, great comment on the exclusivity of goals. That summarizes the situation quite well.

By Paul @ 04/07/10 08:47:21 AMreport abuse

Don't you think this hate-mongering

is a little liberalistic (is that a word). I happen to be a hard working conservative federal employee who is a union member. I thought the at conservatives believed that you judge people on their individual merit not by stereotyping the lot. I'm starting to wonder whether liberalism is really the problem with America or if it's something else.

By John @ 04/06/10 03:51:48 PMreport abuse

Confusing Average and Median

It's a shame the author of the article doesn't seem to know the difference between Average (Mean) and Median (the middle number of a series). We just have to trust that it makes little difference in this instance... even though it could be QUITE significant.

Example: In the series:

1000, 2000, 3000, 11000, 13000

The Average (Mean) is: 6,000

The Median is: 3,000

By D @ 04/06/10 12:35:50 PMreport abuse

It's not the unions

that create their power though, it's gutless legislators that look to buy votes and thus give them immense power - Quid pro quos. The solution...bust the government unions and make them compete like everyone in the private sector has to in order to keep a job. The Grapes of Wrath??? WTF?? Are you living 70 years ago?? Start your own business if you're under paid and over worked.

By Phil Ratner @ 04/06/10 11:53:46 AMreport abuse

@I Love Unions

Jay,

It is a shame that you have to rely on the union to determine your future. You have just traded one master for another, instead of thinking for yourself and being the master of your destiny. Too bad, maybe one day you will wake up and get rid of the parasitic union.

By Dale in NJ @ 04/06/10 11:53:20 AMreport abuse

And the conservative solution is...

cricket cricket

boortz.com/.../unions-and-states.html

Oh and I mean a realistic solution, unions arent going anywhere. They are here to stay like abortions.

By Libertarian Suit Larry @ 04/06/10 11:35:43 AMreport abuse

contract bidding

The military has done contracts to private companies to perform some jobs in logistic, security, and civil engineering, jobs that are not deemed essential to the war fighting effort, but necessary to maintain a ready military.

Why don't some of these states/county/cities put some of these jobs open for contracted bids? From one to five year contract, reviewed every 6-18 months depending on length of contract, and is based on performance pay. This would eliminate government from union contracts; it would be the contracted company to worry about these things. If the employees try to strike, the contractor would be fired and a new contract for bidding will be submitted.

The other bonus: private companies will perform at a higher standard and more efficiently, as long as government doesn't micro manage the process.

Any job can be contracted out, besides our elected officials; I wish they could be contracted, so if they don't perform, they can be fired. Contracted jobs are not considered government employees, they are private businesses who must perform duties contracted or get fired.

I grew up in a town which had a volunteer fire department, the town had about 20K residents, the city has grown to just over 50K, a few years back, they unionized and became full time employees thanks to the new fire chief who was a big union guy in his hay day (he came in from another city), needless to say, the cost of doing business quadrupled and on average, the number of fires have gone down because of safer products, which were the main causes of home fires.

Number one on the list to contract out: teachers, two: road construction/repair/snow removal, three: DMV offices, four: transportation (busses and the like) five: fire departments, six: police. I could go on...

By Terry G @ 04/06/10 11:08:29 AMreport abuse

Worthless Parasites

Unions are filled with worthless parasites. I'd rather see the company move to India before working with the Bolshevik thugs that Unions are. They have a larger middle class, and more English speakers than the US. Indians have a much better work ethic than lazy whiny Bolshevik sum. Where possible, close down businesses that have to deal with Unions and open them in business friendly areas, even if you have to go overseas. Maybe soon we will find another America that will offer freedom and prosperity. As far as government Unions, you are pretty much screwed. They'll have to be fought from the local level. Start cutting out the gangrenous infection in your town and then slowly work your way up.

By Brian in Missouri @ 04/06/10 10:56:58 AMreport abuse

If things get really out of hand, the states CAN go out of business – but the results would be catastrophic.

But that does seems to be what Obowmao has planned, doesn't it?

It's either that, or he's incredibly unintelligent.

By ACE @ 04/06/10 10:53:19 AMreport abuse

Big dose of penicillin

Unions in the private sector fear a bad economy and falling company profits. They know that their future, like the future of any parasite, depends on the relative health of the host.

As Neal said, government employee unions don't worry about profits but they do have a looming horror of the ballot box.

Conservative voters are like a big dose of penicillin to government union parasites. The Tea Party Movement is the greatest threat to the well being of government union parasites. Decreasing taxes, privatization of government services, and the resultant decrease in government jobs are the reasons for the current hate filled attacks directed against the Tea Party Movement.

Finally, the host has awakened and realizes that it is infected and come November its going to give itself a big dose of penicillin.

By Carlos @ 04/06/10 10:29:46 AMreport abuse

I Love Unions

Without unions, these massive companies would basicly have every non-management employee as slave labors through intimidation. If you were forced to make a decision to stay at the job so you can pay your bills and feed your family, you would be forced to stay.

Does anyone remember the Grapes of Wrath? And dont give me any BS about labor laws protecting you, because if it comes down to fighting on your own against a big company, and losing your job, or staying with the status quo to feed your family, you will stay with the status quo.

By Jay @ 04/06/10 09:46:42 AMreport abuse

Dealing with this in Avon, CT

Our school budget is up for vote. Not enough money...but we (parents) actually want to give the town permission to raise our taxes so that our kids can have great schools.

They could scale back their budget if they didn't give faculty raises. We the citizens (even though we will vote to increase taxes) asked if you are hurting for money and need more teachers, how about keeping the pay the same and hiring more teachers. NOPE, NOPE they said they have to give them their 4.5 or 6% raise. They have to because of the CB.

I say once the contract is up, fire them all. Then hire teachers who contractually oblige not to join the union.

Yep the town needs more money due to budgets. People who either have taken a pay cut, or will not see a pay increase are willing to pay more to give their kids the education but these union hacks won't keep their pay the same.

By NavyBuckeye @ 04/06/10 09:45:41 AMreport abuse

disconnect

The paradox of unionized gov't employees is that they believe they can serve the public & serve themselves simutaneously. The two are intuitively exclusive.

By Mike @ 04/06/10 09:37:53 AMreport abuse

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