Stuff you should know
(to Win Arguments and Influence Nutjobs!)

Council 57
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Santa Clara, CA

Sylvia A. Allegretto
Center on Wage & Employment Dynamics
University of California, Berkeley
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...

Source: Sylvia Allegretto's analysis of Current Employment Statistics data.
The rich are getting richer!
Trickle up economics 1983-2009


Allegretto Council 57, 2011
Work Vs. a call to your broker

Taxes on Investments Are Historically Low

Source: Citizens for Tax Justice
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

Allegretto Council 57, 2011
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

- Private sector workers
- State & local government workers

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Private Sector</th>
<th>State &amp; Local Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than High School</td>
<td>12%</td>
<td>3%</td>
</tr>
<tr>
<td>High School</td>
<td>22%</td>
<td>13%</td>
</tr>
<tr>
<td>Some College</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>Associates Degree</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>24%</td>
<td>34%</td>
</tr>
<tr>
<td>Advanced Degree*</td>
<td>11%</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: Allegretto & Keefe CWED Brief October 2010.
Comparison of CAs public vs. private sector earnings and total compensation

Note: **1% and *5% significance levels.
Source: Allegretto & Keefe CWED Brief October 2010.
High Public Union Density Does Not Mean More Public Workers

The States With The Lowest Public Union Density

The States With The Highest Public Union Density

Source: U.S. Census Bureau and the U.S. Bureau of Labor Statistics
Allegretto 2011
State and Local jobs as a Share of all jobs

Share of State and Local Workers


14.7% 15.2% 14.5% 14.4% 14.5% 15.2% 14.6% Aug-11


Allegretto 2011
Public Union Density and S&L Gov’t Workers

Source: U.S. Census Bureau and the U.S. Bureau of Labor Statistics
Allegretto 2011
It’s the 8 TRILLION dollar housing bust & Great Recession!

\[ \ln Gap_{st} = \beta_0 + \prod \pm X \xi + \beta_1 \ln House_{st} + \lambda \cdot \text{unemp} + \varphi \cdot \text{edu} + \sum_{h>0} \ln hrs + \epsilon_{ist} \]

where: \( 0 < R < \infty \)

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

**this is a joke!!**
## The Housing Bust

<table>
<thead>
<tr>
<th>Specifications</th>
<th>(1)</th>
<th>(2)</th>
</tr>
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<tbody>
<tr>
<td>Controls:</td>
<td></td>
<td></td>
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<tr>
<td></td>
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<tr>
<td>Public sector union density</td>
<td>coeff</td>
<td>0.245*</td>
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<td></td>
<td>se</td>
<td>(0.097)</td>
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<tr>
<td>House price decline</td>
<td>coeff</td>
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<td></td>
<td>se</td>
<td>--</td>
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<tr>
<td>Set of union dummy variables</td>
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<td>N</td>
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<tr>
<td>Adjusted R²</td>
<td>0.096</td>
<td>0.421</td>
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</tbody>
</table>

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."
Largest Shortfall on Record

Total state budget shortfall in each FY, in billions

- $40
- $75
- $80
- $45
- $110
- $191
- $130*
- $103*
- $46**

*Reported to date; ** Preliminary

Source: Center on Budget and Policy Priorities 2011

Allegretto 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

Source: Economic Policy Institute’s analysis of CPS data downloaded from stateofworkingamerica.org

Allegretto Council 57, 2011
Widening wedge of wage inequality

Source: Economic Policy Institute’s analysis of CPS data downloaded from stateofworkingamerica.org

Allegretto Council 57, 2011
The not so invisible hand

The Dow ain’t gonna save you

Source: Allegretto 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%