

# Election Edge

## Labor Far Better Than Business at Focusing Money, Grassroots Efforts

**W**ebster's New Collegiate Dictionary offers the following definitions of grassroots: *society at the local level ... as distinguished from the centers of political leadership. The very foundation or source.*

Politically, that means making a candidate's message known to as many individual voters as possible. It also includes helping get those voters to the polls on Election Day so they can let their voice be heard.

Labor unions understand this concept and work it well. So well in fact that they have helped Democrats control the White House the last eight years and the governor's office in Indiana for 12 years. Grassroots politics broke the 50-50 split in the Indiana House in 1998, giving Democrats a 53-47 advantage. It was at the forefront of cutting the Republican majority in the U.S. House from 22 seats prior to 1998 to 11 after the election.

The results of these grassroots victories: No end to the property tax assessment dilemma that is thwarting economic development growth and expansion in Indiana; a refusal to admit major changes are needed to restore the state's K-12 education system; health care mandate and liability bills that threaten to force employers to eliminate insurance offerings, adding to the already high ranks of the uninsured. The list goes on and on.

Business may understand the concept. After all, the message should have been driven home by the recent series of legislative setbacks. But, thus far, business has failed to successfully utilize grassroots efforts to yield election victories.

### What's at stake?

"This is without a doubt the most important election in at least the last 25 years," says Chamber president and CEO Christopher P. LaMothe. "Not only are there crucial legislative issues to be determined in the next few years, but the balance of power for an entire decade rests on this election. Whoever wins draws the legislative maps to be used through 2010. Those maps will either favor labor interests or business interests."

Do you need evidence that whoever draws the maps controls the process? Democrats had the honors by virtue of their majority after the 1990 election. In the last two election cycles, Indiana's Republican House candidates have received 1,738,919 votes to 1,513,906 for Democrats. That's a 225,000-vote advantage. The results, however, were a 50-50 split in 1996 and a 53-47 Democrat advantage in 1998.

"The numbers tell the story," said LaMothe. "Several key races will determine who controls the Indiana House and with it Indiana government for at least the next 10 years."

### The money game

Just as entrepreneurs realize it takes money to make money, political campaign efforts require money to spread the message. Grassroots politics isn't inexpensive. It takes funding and personnel, for example, to run registration and get-out-the-vote campaigns, man phone banks, print and distribute fliers, visit voters.

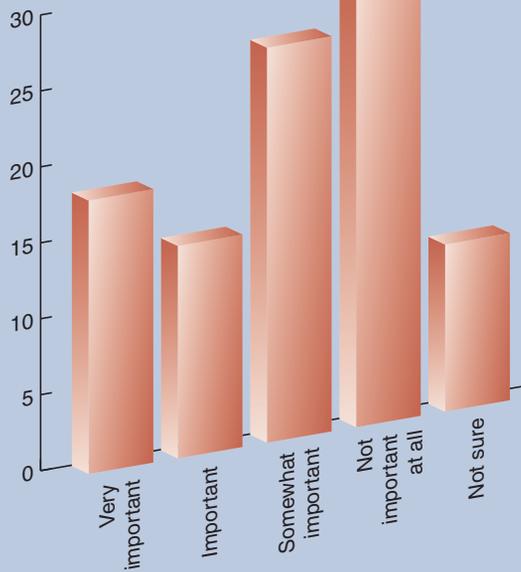
It's not only the amount of money, but where that money goes and how it is spent.

Labor interests have a tremendous advantage in union dues that are used for political activities and people who can be thrown into the political process. In discussing the last two weeks prior

**By Tom Schuman**

## BIZ VOICE POLL

### How important a role will the Internet play in upcoming elections?



Public poll conducted by Massie & Associates.  
Sample size - 256 respondents. Margin of error - plus or minus 5.18 percent.

to the 1998 election, former Labor Secretary Robert Reich said “about 72,000 (paid AFL-CIO) organizers were out in the streets.”

What that means is that business leaders must dig deeper and work harder — two traits that were undoubtedly keys to their business success in the first place.

Nationally, business political action committees outspent labor PACs approximately 3 to 1 (\$141 million to \$45 million) in direct money to U.S. House and Senate candidates in 1998. In soft money — funds given to national party committees for “party-building” activities — the business advantage was nearly 12 to 1 (\$122.7 million to \$10.3 million for labor).

If money talks, it seems that pro-business candidates should be doing the walking to political office. But these candidates are only receiving a portion of the business PAC money. About one-third (approximately \$88 million) of the hard and soft money from business was given to Democratic candidates and committees. Republican candidates were not on the receiving end from labor PACs as 91% of their direct contributions and 96% of their soft money went to Democrats.

Darrell Shull, director of political programs for BIPAC (Business-Industry Political Action Committee) in Washington, D.C., said business is competing against itself.

“One of the contributing factors to business money being split across both parties is that a number of companies give to the incumbent with little regard to the voting record or party. What we’ve tried to do is do away with that ‘access giving.’

“It’s even more telling in the soft money,” Shull said. “That’s designed to bolster party efforts. Giving one-third to each party is like opposing yourself.”

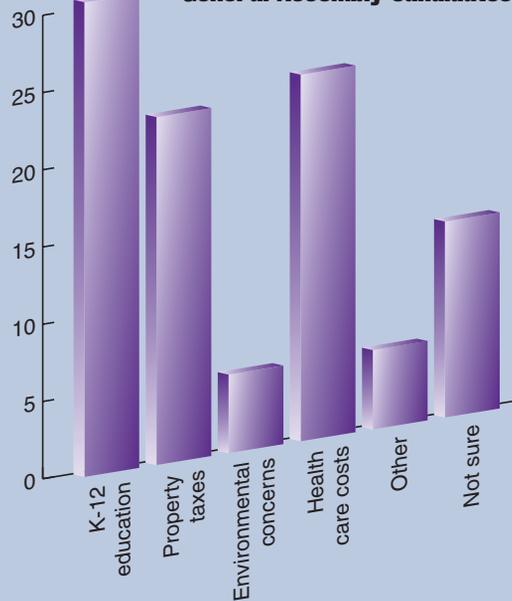
## Closer to home

In Indiana, the problems run much deeper. Labor unions have the advantage in PAC organization fund-raising, and the split in contributions from the state’s biggest corporations actually favors pro-labor candidates.

The Indiana State Teachers Association, the state’s most powerful labor union, and its 31 local PACs reported giving nearly \$900,000 in the 1997-98 election cycle. Other labor unions (44 union organizations registered as PACs) raised more than \$2.5 million and reported giving \$302,000 to candidates. Nearly 95% of that \$1.2 million went to pro-union candidates. The unions also reported giving an additional \$304,000 to state party committees and caucuses with 90% of that total going to Democrats.

## BIZ VOICE POLL

### What is the most important issue for Indiana General Assembly candidates?



Public poll conducted by Massie & Associates.  
Sample size - 256 respondents. Margin of error - plus or minus 5.18 percent.

The largest business PAC, by a substantial amount, is the Chamber’s Indiana Business for Responsive Government. It distributed \$345,000 to candidates, with a large majority to pro-business candidates (ones who met pre-established voting criteria that supports a pro-business agenda).

Most business money, however, is not distributed through the Chamber or other organization PACs. In 1997-98, the state’s top 30 (biggest contributing) corporations and their PACs gave more than \$1.3 million — \$699,561 (42.3%) to Democrats and \$673,314 (40.8%) to Republicans. This includes money given to General Assembly candidates, caucuses, state committees and other state candidates. The other 16.9% of the \$1.65 million total from these corporations went to PACs or other organizations.

“Business throughout the country, and in Indiana, isn’t paying

## Indiana Union Membership

1983-1999  
(numbers in thousands)

Year	Public		Private		Total	
	Membership	Percent	Membership	Percent	Membership	Percent
1983	76.0	24.4	427.3	25.0	503.3	24.9
1984	96.1	31.1	443.4	24.1	539.5	25.1
1985	76.5	24.7	400.2	20.8	476.7	21.3
1986	79.4	25.5	398.4	20.1	477.8	20.8
1987	86.8	25.3	394.5	20.6	481.4	21.3
1988	78.0	22.9	407.6	20.2	485.6	20.6
1989	78.1	23.7	441.6	20.6	519.7	21.0
1990	90.6	28.3	389.4	18.6	480.0	19.9
1991	82.3	25.0	375.2	18.4	457.5	19.3
1992	72.3	21.4	391.2	18.8	463.5	19.2
1993	93.7	26.5	365.1	17.2	458.7	18.6
1994	101.5	31.0	392.8	17.6	494.3	19.3
1995	73.7	24.7	369.4	15.5	443.1	16.5
1996	72.7	22.8	322.5	13.8	395.2	14.9
1997	90.2	27.6	308.3	12.8	398.6	14.6
1998	89.5	28.8	341.8	14.6	431.3	16.2
1999	96.4	27.5	327.7	13.9	424.1	15.7

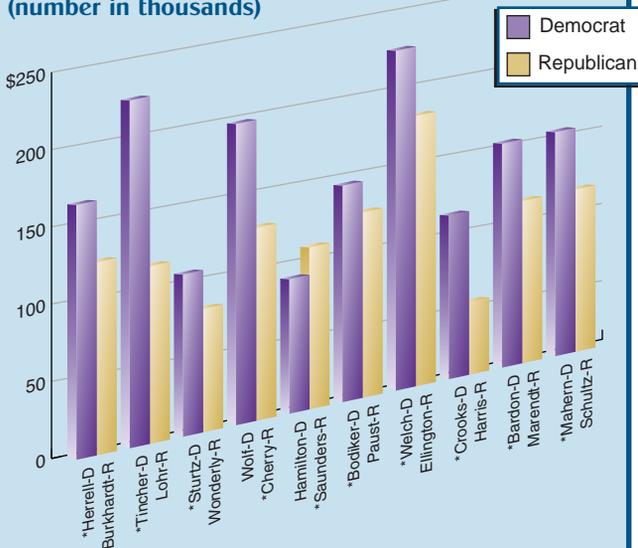
Source: Public Service Research Foundation

## Total Annual Revenue of the Top 25 International Unions Under the AFL-CIO Umbrella

Top 25 International Unions	1996 Annual Revenue
Steelworkers	674,236,422
Teamsters	191,947,975
Electrical Workers	335,777,798
Service Employees	75,867,486
Laborers	71,261,907
Communications Workers	308,168,173
Auto Workers	303,507,094
Paperworkers	61,293,315
Operating Engineers	48,118,601
Mine Workers	61,654,970
American Federation of Teachers	121,070,695
Airline Pilots	326,413,374
Boilermakers	39,622,534
Glass, Molders	17,320,007
AFSCME	80,552,844
Flight Attendants	13,355,148
Fire Fighters	17,293,508
Retail, Wholesale	37,526,859
Grain Millers	2,976,177
Postal Workers	106,676,601
HERE	27,883,613
Painters	96,665,031
OCAW	152,222
Machinists	152,597,721
UNITE	107,690,730
<b>Total</b>	<b>3,279,630,805</b>

Source: LM-2 statements filed by unions.  
Research by National Institute for Labor Relations Research

## Contributions Raised in the 10 Most Contested House Races for 1997-1998 (number in thousands)

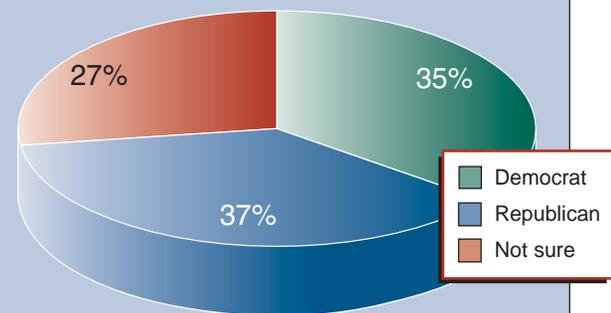


Source: Indiana Chamber research

\*Election winners

## BIZ VOICE POLL

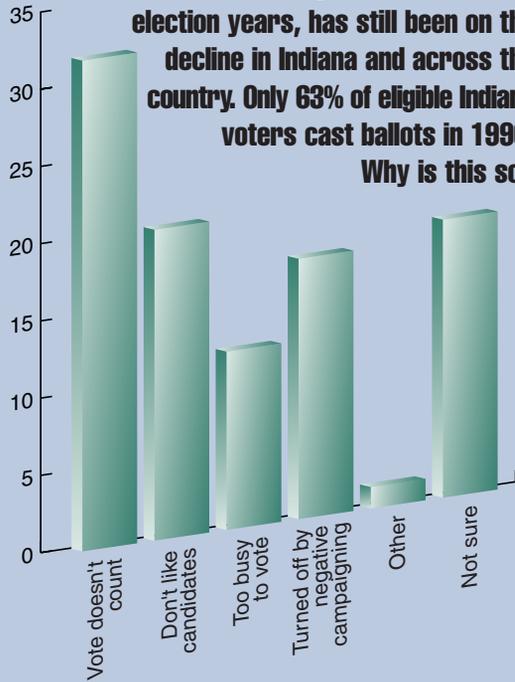
Which political party does the best job in Indiana of getting its message out to the voters?



Public poll conducted by Massie & Associates.  
Sample size - 256 respondents. Margin of error - plus or minus 5.18 percent.

**BIZ VOICE POLL**

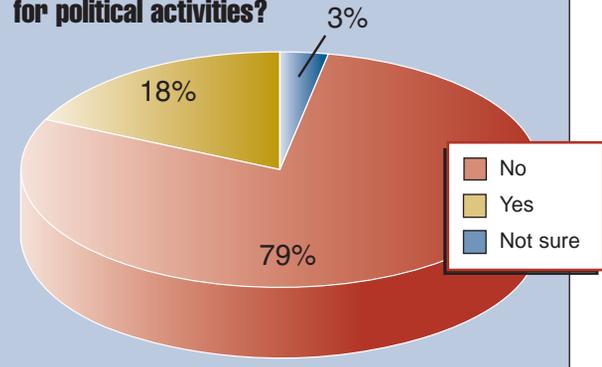
**Voter turnout, while higher in presidential election years, has still been on the decline in Indiana and across the country. Only 63% of eligible Indiana voters cast ballots in 1996. Why is this so?**



Public poll conducted by Massie & Associates. Sample size - 256 respondents. Margin of error - plus or minus 5.18 percent.

**BIZ VOICE POLL**

**Should dues paid by union members be used for political activities?**



Public poll conducted by Massie & Associates. Sample size - 256 respondents. Margin of error - plus or minus 5.18 percent.

**Union PAC Contributions to Indiana Congressional Candidates 1997-98 Election Cycle**

Rep.	Party	Amount
Rep. Visclosky	Democrat	\$144,750
Rep. McIntosh	Republican	\$500
Rep. Roemer	Democrat	\$121,750
Rep. Souder	Republican	\$0
Rep. Buyer	Republican	\$5,000
Rep. Burton	Republican	\$17,500
Rep. Pease	Republican	\$17,500
Rep. Hostettler	Republican	\$0
Rep. Hill	Democrat	\$228,100
Rep. Carson	Democrat	\$225,550
Sen. Bayh	Democrat	\$216,361
Sen. Lugar	Republican	\$0

Total to seven Republicans: \$40,500  
Total to five Democrats: \$936,511

Total to all Republican federal candidates: \$4,162,944  
Total to all Democratic federal candidates: \$40,966,861

Source: National Institute for Labor Relations Research

**Indiana Voter Participation**

Year	Number of Registered Voters	Turnout	Percent of Registered Voter Turnout	Voting Age Population	Percent of Voting Age Population Turnout
1996	3,488,088	2,195,224	62.9%	4,146,000	52.9%
1992	3,180,157	2,347,912	73.8%	4,198,000	55.9%
1988	2,866,339	2,222,494	77.5%	4,068,000	54.6%
1984	3,049,590	2,268,493	74.4%	3,993,000	56.8%
1980	2,944,311	2,275,433	77.3%	3,892,000	58.5%
1976	3,010,439	2,278,621	75.7%	3,692,000	61.7%
1972	3,018,578	2,126,000	70.4%	3,498,000	60.8%
1968	3,044,186	2,123,600	69.8%	3,044,000	69.8%
1964	2,628,627	2,091,700	79.6%	2,845,000	73.5%

Source: Indiana Secretary of State, Election Division

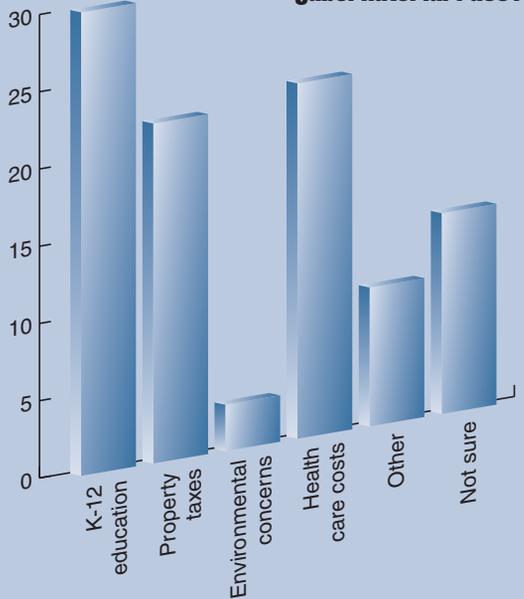
**National Voter Participation**

Year	Number of Registered Voters	Turnout	Percent of Registered Voter Turnout	Voting Age Population	Percent of Voting Age Population Turnout
1996	146,211,960	96,456,345	66.0%	196,511,000	49.1%
1992	133,821,178	104,405,155	78.0%	189,529,000	55.1%
1988	126,379,628	91,594,693	72.5%	182,778,000	50.1%
1984	124,150,614	92,652,680	74.6%	174,466,000	53.1%
1980	113,043,734	86,515,221	76.5%	164,597,000	52.6%
1976	105,037,986	81,555,789	77.6%	152,309,190	53.6%
1972	97,328,541	77,718,554	79.9%	140,776,000	55.2%
1968	*	73,211,875	n/a	120,328,186	60.8%
1964	*	70,644,592	n/a	114,090,000	61.9%

Source: Federal Election Commission

\*Accurate totals not known for some states.

**What is the most important issue in the 2000 gubernatorial race?**



Public poll conducted by Massie & Associates. Sample size - 256 respondents. Margin of error - plus or minus 5.18 percent.

close enough attention,” LaMothe said. “One could argue that more decisions that drive business success are made by elected officials than by the CEO. Yet little focus or attention is spent on where business political contributions are going and to whom.”

Twenty-six of the 30 corporations gave money to both parties. Fifteen gave more to Democrats; 15 gave more to Republicans.

The 1999-2000 election numbers through April 7, 2000, reveal Indiana labor union organizations had raised \$1,668,356; the ISTA, \$894,342; and LAW PAC (trial lawyers), \$149,034. The three major business organization PACs were RPAC (Indiana Realtors), \$297,401; IBRG, \$290,051; and IMA (Indiana Manufacturers Association), \$85,291. **The totals: \$2.7 million for labor, \$672,000 for business.**

On the contribution side, the labor union organizations (not including ISTA or LAW PAC), had given:

- \$524,400 to Gov. Frank O'Bannon; \$0 to challenger David McIntosh
- \$111,650 to the Democratic State Committee; \$1,250 to the Republican State Committee

- \$67,000 to Democratic House candidates and \$17,350 to Democratic Senate candidates; \$2,550 to Republican House candidates and \$2,300 to Republican Senate candidates

How important is the funding? According to the National Institute on Money in State Politics, of the 129 state-level races in Indiana in 1998, 119 were won by the candidate who raised the most money.

LaMothe said, “Business can’t nor should it try to buy favor. Instead it should support people for elected office who support a strong economy, a strong business environment, strong education and strong families.”

**Not the whole story**

Political insiders have known for some time that labor spends much more money politically than it reports. Top union leaders are admitting that now in some cases. The total of non-reported expenditure estimates reaches mind-boggling proportions.

AFL-CIO political director Steve Rosenthal said the union’s in-kind campaign operation for 2000 will have 1,600 coordinators in 35 states and that \$40 million will be spent. The \$40 million, however, does not include money spent by the federation’s 68 member unions.

The National Right to Work Committee (NRTWC) reports that the \$40 million is 13% of the AFL-CIO umbrella organization’s total receipts over two years. If the 25

most politically active unions (see chart on Page 10) contribute the same 13% of their receipts over two years, the total funds available grows to a staggering \$900 million.

“And that figure doesn’t include local unions,” says Stan Greer, director of news and information for the National Right to Work Committee. “Unions are being much more aggressive. Their own rhetoric would indicate that. John Sweeney (AFL-CIO president) has said what they’re doing now is more than they’ve ever done before.”

Shull agrees. He said union dollars have gone from being more PAC oriented in 1994 to issue advocacy two years later and grassroots efforts in 1998.

“In 2000, it’s a full press in all areas,” he said. “They’re planning and raising and spending more.”

The money doesn’t travel alone; it comes along with human resources.

According to the NRTWC, the AFL-CIO’s own online newsletter reports that the union is representing 55% fewer employees in contract negotiations than at the same time one year ago.

“Our opinion,” Greer said, “is not simply that unions have become much more unpopular, but that this is a reflection of union organizers being diverted away

**No Politics for This Union?**

The National Education Association (NEA), the nation’s largest teachers union, reports to the Internal Revenue Service that it spends no union dues on politics.

A review of NEA documents by The Associated Press revealed:

- \$872,535 budgeted for “state-specific campaign ... aimed at electing bipartisan pro-education candidates” in the 1998 election
- \$792,422 spent in 1994-95 for “campaign assistance” to state affiliates. The report states that “support was provided in 34 states for gubernatorial races”
- \$2.2 million budgeted in 1996-97 to “increase the association’s capacity to provide assistance to recommended candidates”
- \$310,000 spent in 1994-95 to develop a three-part training series “to elect pro-education candidates.” A booklet estimated that if one-third of NEA members volunteered to help candidates, it would equal a \$6 million contribution to friendly candidates
- A 1996-97 strategic plan to “recruit and support pro-education candidates,” “expand PAC fund-raising” and find new ways to “effect election results.”

to political activities. Unions can afford to put a very large percentage of people on paid leave for months at a time. Not too many businesses can do that.

“The conventional wisdom among many business people is that if you have a case before the National Labor Relations Board, try to get it scheduled for late summer or fall of an election year. The union representatives and legal staff are not really paying attention because they’re too busy with political activities, and you are much more likely to succeed.”

## Back to grassroots

Unions have strong financial and human resources. It’s what they do with those assets that help make the difference on Election Day.

“Money alone isn’t the answer. It’s taking advantage of that grassroots strength,” Shull said.

Visit the political section of the AFL-CIO web site for all the evidence you need:

*The 1998 race in Kansas’ 3rd Congressional District serves as a blueprint for success. The district had not elected a union-backed candidate since 1958, and the incumbent had just a 6 percent voting record on working family issues.*

*Even with the endorsement of the district’s unions, challenger Dennis Moore faced an uphill battle. In April, Moore’s support among union households was pegged at only 46 percent — and at just 39 percent in nonunion households. By two weeks before the election, Moore had gained only 2 percentage points.*

*Working with the Tri-County Labor Council of Eastern Kansas and the Lawrence Central Labor Council, local unions staged a massive mobilization effort aimed at the district’s 12,000 registered union members. Each local union distributed thousands of copies of three different worksite fliers, and the labor councils boosted their phone bank efforts. The weekend before the election, union volunteers walked every precinct in the district to urge union families to get to the polls.*

## Voting or Flying

A number of recent union-negotiated contracts require employees to receive Election Day off with pay. Not only does this help ensure that those workers themselves get to the polls, but they can also staff polling sites or help others exercise their right to vote.

“One of the obstacles for business is that many executives are traveling on Election Day,” says Darrell Shull, director of political programs for BIPAC. “Who knows how many of them have made appropriate use of the absentee ballot or made their employees aware of such information.”

In one Connecticut congressional district, Shull said the number of executives flying in airplanes (and presumably not casting their votes) was twice the margin of defeat for the pro-business candidate.

*On Election Day, Moore won by almost 10,000 votes. “If we can do this in Kansas, we can do it anywhere,” says Tri-County Labor Council President James Hadel.*

A few examples of the efforts for 2000:

*Althea Leach, president of UNITE Local 371 in Rockland, Maine, estimates she and other local union leaders will have talked to all 240 UNITE members in her area at least a half-dozen times about working family issues and the candidates who back them.*

*New York State AFL-CIO President Denis Hughes estimates that by Nov. 7, all of the state’s 2.5 million union members will have been contacted at their worksites, at home through “labor-neighbor” visits, by local union mailings and by phone from volunteer union phone banks. On Feb. 7, union volunteers in New York gave a preview of workers’ mobilization strength when they distributed 1 million fliers at 10,000 worksites highlighting Vice President Al Gore’s working families record and urging support in the March 7 primary, in which he defeated former Sen. Bill Bradley by 65 percent to 34 percent.*

Greer said, “It’s identifying voters and motivating them to go to the polls. That might include driving to their house to make sure they vote. Of the many things they do, (union leaders) believe the old-fashioned leaflet is one of the most effective.”

In 1997, the AFL-CIO initiated a 2000 in 2000 campaign—an effort to identify and train 2,000 union members to run for office in the current election cycle. The offices include school boards, city councils, state legislatures, mayor’s offices and Congress.

According to the union, number 2,000 was elected in April of this year. The successful candidate for the Milwaukee County Board of Supervisors was assisted by 80 volunteers who made three visits to each of 1,800 union members in the district.

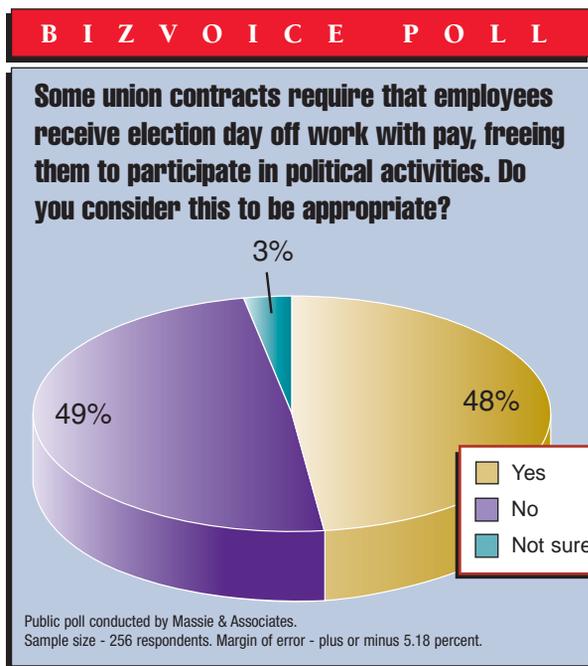
## Business plan

Can business duplicate this effort? Maybe not. But even small progress can make a big difference.

BIPAC’s Shull said, “If we increase business turnout by 5%, we win. There were 13 (congressional) races decided by 6,000 votes or fewer in 1998.”

Some of the options for business participation efforts include putting together candidate voting records, creating a voting guide that lists candidate responses to important issue

*continued on page 47*



## Election Edge

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questions or simply registering voters.

“As I travel the country, the first thing I hear from business people is that ‘I didn’t realize I could do this,’ ” Shull said, adding that unlimited corporate dollars may be spent to send advocacy messages to executives, managers, shareholders, etc. “These are the sort of things that win and lose elections.

“You can’t leave it to the national parties. Democrats have labor and environmental groups tugging at their sleeves. Republicans have social groups and other interests. Business is the only entity that can truly support business interests. Whenever business or labor talks with credible information, employees appreciate it.”

The network is in place, Shull said. It’s just a matter of taking advantage of opportunities.

“Labor is the ultimate special interest. Business is the true grassroots structure,” he said. “There are thousands of business voices and that diversity should make us a strong player in the elections.”

LaMothe added, “Business doesn’t have the advantage of forced union dues and may not as easily rally employees around one central cause as unions do. Presidents, CEOs, owners and managers, however, can provide information — letting their employees know which candidates support a healthy pro-business environment in our state — to help voters make informed decisions when they enter the ballot box.”

### Bottom line

Labor interests have resources— both financial and in support personnel. They also have organization.

“I can look out my window and see John Sweeney’s office,” Shull said. “Everything comes out of there. He sets the message, commands the rest of the unions and they follow it.”

Does business want to duplicate that method? Not exactly. Can business improve its financial contribution, direct those resources more efficiently to pro-business candidates and employ the grassroots efforts needed to reach individual voters?

Certainly.

“Business gets out of our public system what business puts in,” LaMothe said. “If we wake up on November 8 with pro-labor interests controlling Indiana government for the next 10 years, business leaders only have to look in the mirror to determine the reason.”

### INFORMATION LINK

**Resources:** BIPAC at (202) 833-1880 or [www.bipac.org](http://www.bipac.org)

**National Right to Work Committee** at (703) 321-9820 or [www.right-to-work.org](http://www.right-to-work.org)

**Indiana Chamber** at (317) 264-3110 or [www.indianachamber.com](http://www.indianachamber.com).