

1274 Newsline



North Suburban Teachers Union - Local 1274, CFL, IFT/AFT, AFL-CIO

October 2013

Want A Better Illinois? Let's fix it!

The Illinois Federation of Teachers has thrown its weight behind a new coalition -- A Better Illinois -- and is calling on its members to actively participate in a campaign for fair taxes and accountability. We are being urged to educate ourselves on the issues, share our knowledge with others, and sign on to a petition drive to culminate by November 1st.

A few statistics illustrate how profoundly broken our tax system is. According to the Institute on Taxation and Economic Policy, Illinois has the fourth most regressive tax system in the nation, meaning that the burden of supporting public services falls disproportionately on the poor and middle classes



Currently, the poorest 20% of Illinois citizens pay 13.8% of their incomes in state taxes, well above the national average, and the middle 60% also pays more than the national average. The richest 1%, on the other hand, pays only 4.9% of their income,

well below the national average.

An unfair tax system is nothing new for Illinois, but changing it has acquired new urgency. A looming pension shortfall – by some estimates to the tune of \$100 billion – has occupied our attention for the last two years, but there are other problems as well. The state now faces an estimated \$6 billion in unpaid bills, and on top of that the temporary income tax increase of 2011 is scheduled to expire in 2015, costing the state much needed revenue. No wonder Illinois has earned the reputation as first in the nation for fiscal mismanagement.

As the Center for Tax and Budget Priorities has pointed out, what is driving our budget deficits is not overspending but a flawed tax policy. Stated most simply, Illinois simply does not raise enough revenue to meet its



A Better Illinois is a coalition of 60 organizations and thousands of individuals who have pledged to work for a tax system that can create jobs, grow the middle class, fund education, protect small businesses and provide essential human services.

To learn more, go to www.abetterillinois.org.

most pressing needs, and what it does raise comes mainly from those least able to pay.

One solution to this crisis is to make the Illinois income tax progressive, a goal that A Better Illinois and the IFT endorse. Currently, under the terms of the Illinois Constitution, our state income tax is flat, meaning everyone, regardless of income, pays the same percentage. A progressive tax would impose higher rates as income -- and ability to pay -- rises. Currently, the federal government and 34 of the 41 states with income taxes rely on a progressive tax structure.

According to a proposal formulated by the Center for Tax and Budget Priorities, instituting a progressive income tax could raise an additional \$2.4 billion a year while actually lowering taxes for the middle class. And this plan appears to be overwhelmingly popular – two recent polls, one by A Better Illinois and another by Capitol Fax, showed at least two thirds of Illinois voters in favor of the concept.

Continued on page 2

A Better Illinois, Continued

In addition, the IFT and A Better Illinois are also looking at other sources of revenue, such as closing corporate loopholes and taxing services.

Unfortunately, however, the road to fair taxes is rocky. A progressive income tax, for instance, requires a constitutional amendment, which can only be accomplished with a 3/5 vote in both the Illinois House and Senate to put it on the ballot followed by a 60% voter approval. Two amendments have already been introduced in the Illinois House and Senate, but the effort will clearly require a great deal of intense and sustained grassroots effort – which is where we come in.

The IFT will be circulating petitions at our workplaces asking for signatures and support. To learn more about how you can sign up, contact your building rep for details.

Text of Petition:

We, the undersigned, support A Better Illinois with the right priorities:

- A more accountable government that cuts waste and invests in education, public safety and health care;
- Fair taxes with higher rates for higher income levels and lower rates for lower income levels; and
- A growing middle class with good jobs and successful small businesses.

From the President

Our Unfair Economy

As a member of the IFT's Fair Economy Workgroup I have spent the last two years studying the state of our economy – nationally and here in Illinois – and the clear picture that has emerged is one of an economy that is anything but fair.

Over the last 35 years the wealthiest Americans have grabbed an alarmingly large piece of the economic pie, and corporations have accumulated and are sitting on large stockpiles of cash, while the middle-class has been greatly eroded and the least fortunate members of society have fallen farther behind.

What has also become clear is that this current state is not

the natural consequence of any kind of normal economic cycle. Our unfair economy has been purposefully created by a series of policies and legislation



written and aggressively promoted by the very sectors of our society – wealthy individuals and large corporations – that benefit most from those policies and have the political influence to get them enacted.

Need evidence? The statistics are endless and disturbing. Here are just a few examples:

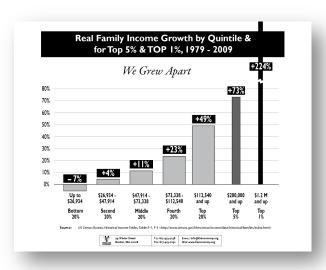
- ♦ A study released just last month shows that the top 10% of Americans now earn 50% of the nation's total income, with 22.5% going to the top 1%. This is the highest share for the wealthy in the 100 years since those statistics have been available.
- ◆ And that's just income. When we consider wealth, which is a measure of the value of *everything* that we own (investments, property, etc.) minus what we owe, the disparity is even greater. The top 1% hold 42% of the nation's wealth, with 85% going to the top 10% and only 5% left for the bottom 80% of Americans.

"Our unfair economy has been purposefully created by the very sectors of our society — wealthy individuals and large corporations — that benefit the most and have political influence."

Though the wealthy by definition will always out-earn the rest of us, the current tilt to the rich is unprecedented. The chart below (top left on the next page) shows the growth in family income for the various sections of society from 1979 through 2009.

This graph is a dramatic illustration of how the lowest income group has fallen behind and the middle has treaded water, while the top 1% has grown by an astonishing 224% - off the chart!

Now look at the same data for the earlier period between 1947 and 1978 (top right on the next page). During this extended period of time, sometimes referred to as the *golden age of capitalism*, our economy expanded and we all grew at a relatively equal rate.



What explains the difference between these two time periods? The answer is public policy and the strength of labor unions.

In the post-WWII era, our government enacted policies that led directly to prosperity for all. Investments in infrastructure created jobs; social programs like Social Security, Medicare and Medicaid provided a social safety net; the GI Bill of Rights promoted home ownership; progressive tax policies were based on ability to pay; and a common sense regulation of our economy – especially the financial sector – protected us from economic calamity.

And not coincidentally, during this time period union density reached its peak, with one in every three Americans (33%) working in the private sector belonging to a union.

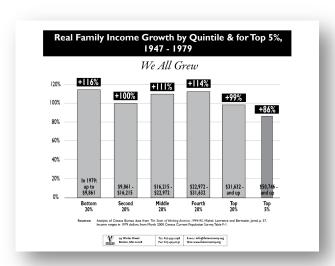
Since the early 1980's the policies that led to America's

golden age have been systematically reversed. Beginning with Reagan's Economic Recovery Tax Act of 1981 and culminating with the two tax overhauls under George W. Bush, the U. S. has granted huge tax cuts to the wealthiest Americans. Not only did



those laws bring the tax rate paid by our highest earners to historic lows, they also created a special bargain tax rate of 15% on capital gains – income earned through stocks, bonds and other investments. Since the top 10% of society owns 90% of stocks and bonds, we can see who has benefitted most from the slashing of the capital gains tax.

These tax policies have enriched the wealthy, placed a larger share of the burden on the middle class, and have starved the nation and our states of revenue necessary to provide even the most essential services.



During that same time period we have passed a series of laws undoing the common sense regulations that protected our economy. The result has been a series of economic crises culminating with the financial collapse of 2007-08.

And again, it is not just a coincidence that this historically inequitable division of America's wealth has occurred during a time period in which union density has been driven to record lows, with just 6.6% of private sector workers belonging to a union.

The silver lining behind this cloud is that we know what it will take to reverse this massive inequality. We just need to rally the forces necessary to undo the policies and legislation that brought us here. The first step is to spread the word about the current state of inequality. I believe that that is beginning to happen as prominent economists such as Nobel Prize winners Joseph Stiglitz and Paul Krugman have written extensively on the topic and former Labor Secretary Robert Reich stars in a new documentary entitled *Inequality for All*. (For more information check out the website www.inequality.is.). Another step is to join the efforts of A Better Illinois. (See article on front page.)

Central to achieving the goal of rebuilding an economy that works for us all is revitalizing the reach and strength of labor unions. Unions represent our best chance to reclaim our fair share of corporate profits and counter their outsized influence on public policy.

In Solidarity,





Remembering James Friedman

There may not be many of us who remember the strike of 1967 at District 219, but for those who do, they will also remember Jim Friedman.

Friedman was a social studies teacher at Niles North High School and was the president of Local 1274 in 1967. The union had been petitioning the Niles Township Board of Education since 1963 for collective bargaining. In 1966, with the courts on our side, an election was finally held, but the pace of negotiations was slow. On Thursday, May 25, 1967, 230 teachers went



on strike for the first time in Niles Township, with Friedman as the leader. On Friday night, an agreement was reached on the final items in the contract.

Although Friedman subsequently left the teaching profession, he is fondly remembered as the visionary who led Local 1274 to its first contract and helped establish our tradition of strong unions.

James Friedman passed away on July 6, 2013 at the age of 78.

Loss of Great Teacher Deeply Felt

On September 9th, Dan Horyn lost his battle with an aggressive form of cancer at the age of 34. Dan had been an inspirational English teacher and a cross country and track coach at Niles North High School since 2001.



NSTU President Steve Grossman remembers Dan from the new teacher mentoring meetings when he first arrived at District 219. "He stood out as someone who would be a great teacher and he didn't disappoint. He was full of life, an optimist with personality and energy."

Despite chemotherapy and

radiation treatments, Dan continued to teach, coach and run summer camps until he was finally forced to take a leave in August. He will be sorely missed.

IFT Convention

The NSTU is sending 19 delegates to the IFT convention to take place from October 18-20 at the Intercontinental Chicago O'Hare Hotel.

The triennial convention is important because delegates discuss and vote on issues that set the course of our work for the next three years. It also elects a slate of officers for the statewide organization. Former NSTU president Dan Montgomery is running for another term as IFT President and Steve Grossman, current NSTU President, will also be running for a slot as Vice President. Dan and Steve have provided exceptional leadership in a very difficult period for teachers and support staff in Illinois.

The roster of delegates is as follows:

Steve Grossman, NSTU President

Lyndy Massoth, NSTU Vice President

Robyn Caplan, NSTU Treasurer

Elise Gould, Golf Teachers' Association

Fred Schlessinger, Niles Council of Teachers and

Support Staff

Karyn Israel and Erin Cara of the Fairview Teachers' Association

Travis DuPriest, Lincolnwood Teachers' Association Pankaj Sharma, Susan Dobinsky, Ron Dornseif,, Ann Goethals and Arthur Joshi of the NTFT

Rich Costante of the NTSS

Linda Amato of the Niles Township Federation of Special Education Assistants

Cathy Peach and Linda Williams of the Wilmette Support Staff Union

Jim Dougherty and Jim Sweeney representing retirees

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Produced and published by the North Suburban Teachers Union Local 1274 – IFT/AFT, AFL-CIO

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