

# Taking Cover:

## Analysis Shows Business Trade Groups Carrying Corporate Campaign Against Employee Free Choice While Companies Distance Themselves

New analysis of lobbying disclosures shows that the corporate lobbying effort against the Employee Free Choice Act is being waged largely by industry trade associations and front groups rather than by individual companies.

Indeed, when several of the companies that have been active against employee free choice have come under criticism, they have been quick to issue statements to distance their firms from any anti-worker position.

At a time when a majority of the public favors the Employee Free Choice Act and millions of Americans are struggling while high CEO pay and corporate bonuses persist, it appears that companies are reluctant to be out front themselves against a measure that would ensure workers the freedom to gain a voice on the job for improvements.

Instead, the dirty work is being done primarily by eight business associations that are together waging a massive assault against the bill while most of their member companies keep their own names clean.

### Industry associations take the lead

- **The following eight trade associations were among some of the biggest spenders in lobbying against the Employee Free Choice Act in 2008:** U.S. Chamber of Commerce, National Association of Manufacturers, National Restaurant Association, Food Marketing Institute, Financial Services Roundtable, Business Roundtable, Retail Industry Leaders Association, and American Hotel and Lodging Association.
- **Yet the officers of these associations have largely remained silent on Employee Free Choice.** Out of 37 companies which hold leadership positions on the boards of the eight industry associations above, *only 8 have ever independently lobbied* on the Employee Free Choice Act and representatives from *only 11 have made statements* on Employee Free Choice.

### Lobbying Machine

*At-a-glance numbers on the combined lobbying forces of the Chamber of Commerce, National Association of Manufacturers, National Restaurant Association, Food Marketing Institute, Financial Services Roundtable, Business Roundtable, Retail Industry Leaders Association, and American Hotel and Lodging Association:*

- ▶ **Spent \$138.4 million** on lobbying in 2008 (\$258,000 per member of Congress). All 8 groups lobbied against the Employee Free Choice Act.
- ▶ **Hired 44 lobbying firms** in 2008 (**359 total lobbyists** including both firms and association lobbyists).
- ▶ **Used at least 34 different front groups** and/or affiliates to push their agenda.
- ▶ **Lobbied on hundreds of bills** last year (The Financial Services Roundtable alone lobbied on **91 different bills**; the U.S. Chamber of Commerce's lobbying disclosures fill **641 pages**).
- ▶ The five associations with PACs gave **82% of their PAC contributions to Republicans** from 2000 to 2008.

- Even more striking, *less than 4% of the more than 1,500 companies associated with the eight industry associations have ever independently lobbied* on Employee Free Choice.
- While individual companies outspent trade associations in lobbying against the Employee Free Choice Act and other pro-worker legislation in 2007, *in 2008 trade associations surged ahead, filing lobbying expenditure disclosures which mention Employee Free Choice totaling \$141 million —\$36 million more than individual companies.*

## Individual companies take cover

### ► Burger King

*"Burger King Corp. (BKC) believes unions serve a purpose in some workplaces and a number of its guests, vendors and franchisees have positive union membership experiences. BKC is not anti-union. BKC and its franchisees serve a diverse consumer base and, therefore, aim to remain neutral on political issues."*

(<http://www.qsrweb.com/article.php?id=13467>)

—Statement issued February 20, 2009 after report, video, and protests exposed efforts by Burger King to defeat the Employee Free Choice Act and shed light on other poor employment and consumer practices at the fast food company. Burger King is a member of the National Restaurant Association and the National Retail Federation.

### ► Principal Financial

*"Contrary to incorrect reports issued today, The Principal Financial Group has not taken a position on the Employee Free Choice Act, nor do we plan to take such a position. The Principal represents the interests of millions of employees and hard working Americans who participate in its employee benefit plans; as well as 35,000 employer clients, 42,000 retirement plan sponsors and its own 15,000 employees. ... We have been a frequent advocate on issues of critical importance to unions and the financial services industry, such as civil rights and pension plan funding."*

([http://www.businesswire.com/portal/site/google/?ndmViewId=news\\_view&newsId=20090224006555&newsLang=en](http://www.businesswire.com/portal/site/google/?ndmViewId=news_view&newsId=20090224006555&newsLang=en))

—Statement issued on February 24 after Change To Win Chair Anna Burger sent a letter to Treasury Secretary Timothy Geithner asking that Principal Financial not be considered for federal TARP money given the company's lobbying disclosures showing \$2.4 million in federal government lobbying expenditures in 2008 across many issue areas, including employee free choice. Principal is a member of the Financial Services Roundtable.

► **McDonald's**

*"We regret our internal effort to keep our franchisees informed on all aspects regarding this legislation has been leaked to the press and mischaracterized as an anti-union campaign. This was not our intent. McDonald's is not engaged in an anti-union campaign. In fact, we pride ourselves on being the restaurant organization for all people -- especially during tough economic times like these. As such, we try to not take sides in political issues, because we know our customers come from all walks of life, and represent diverse opinions and backgrounds."*

(<http://www.seiu.org/a/employeefreechoice/mcdonalds-statement-in-response-to-seiu-actions-at-restaurants-across-the-country.php>)

— Statement issued on December 22 after reports leaked that McDonalds Corp. had urged its franchisees to “contact your U.S. senators and representatives to oppose” the Employee Free Choice Act.

**Key facts that may be contributing to the companies' strategy to oppose employee free choice through trade associations and distance themselves**

- Today average CEO pay is 344 times higher than average pay for workers. In 1980, CEO pay was 42 times higher. In other words, the average CEO today takes home as much in one day as the average worker is paid in a year.
- By next year, median household income is projected to drop to a level lower than it was 10 years ago.
- 73% of adults favor passage of the Employee Free Choice Act (Hart Research Associates, 12/08)