

The 2014 Raises

Society of Professionals, Scientists and Engineers, Local 11 of the University Professional and Technical Employees-CWA 9119, AFL-CIO (SPSE-UPTE) offers a hearty “thank you” to the hundreds of employees who signed our petition to the Lab Director to make the 2014 raises retroactive to January 1.¹ As we were readying the petition for transmittal to the Director, he sent an email message to all employees announcing his decision to make the raises retroactive to January 1.

Our petition undoubtedly played some role in his decision, even if only a subconscious one.

In his January All Hands presentation the Director made an implied promise that all employees will get a raise, and that the “global average” wage increase would be 2.5%. We urge him to guarantee that his promise to employees is kept, and that no employee gets zero base-building raise, like what he has proposed for the Skilled Trades employees.

The 2014 raises are one small step in the direction of making up for the years of pay freezes and paltry raises that we have endured at the Lab over the past several years. This small step, however, does not go anywhere near enough to really addressing the growing income inequality issue afflicting U. S. workers. We discuss economic inequality in the next article, and how it affects us here at Lawrence Livermore National Laboratory (LLNL).

¹ The text of the petition:

“Dear Director Knapp, We are pleased to learn that DOE/NNSA has approved the Lab’s Compensation Increase Plan (CIP) and that we will be receiving our raises on or about April 1. We understand that the Lab received authorization for the full CIP allocation despite the government shutdown. Given that you received authorization for our raises to start January 1, 2014, we urge you to distribute the raises retroactive to that date.

In addition, we urge you to distribute raises fairly and transparently to all employees, including the Skilled Trades employees, for whom you have proposed no base-building pay increase.”

Economic Inequality, Union Membership, and LLNL

Employees at LLNL have now endured years of pay freezes or paltry raises while the Lawrence Livermore National Security, LLC (LLNS) Board of Directors rakes in huge management bonuses. There have been many news reports over the past few years about growing income inequality in the U.S. and world-wide. A recent study² puts this fact into perspective. A summary of the Study's conclusions:

- Almost half of the world's wealth is now owned by just one percent of the population.
- The wealth of the one percent richest people in the world amounts to \$110 trillion. That's 65 times the total wealth of the bottom half of the world's population.
- The bottom half of the world's population owns the same as the richest 85 people in the world.
- Seven out of ten people live in countries where economic inequality has increased in the last 30 years.
- The richest one percent increased their share of income in 24 out of 26 countries for which there are data between 1980 and 2012.
- In the US, the wealthiest one percent captured 95 percent of post-financial crisis growth since 2009, while the bottom 90 percent became poorer.

The trend toward growing economic inequality, which threatens social stability and democratic government, is not a recent phenomenon, but has been underway for decades. It is driven partly by macro-economic forces: first, by the globalization of capital, then by the globalization of labor as companies outsource jobs in a never-ending quest to reduce their labor costs. Increasing automation plays a role, too.

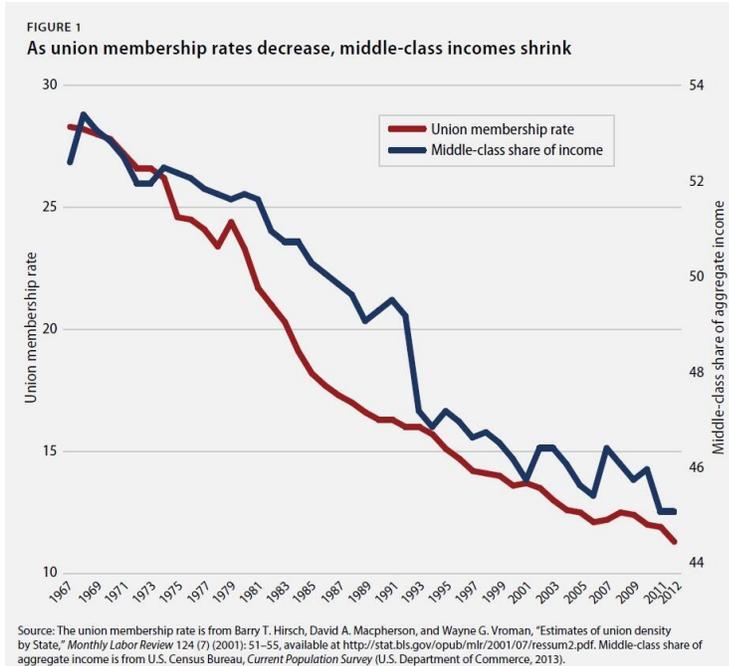
Deliberate policy choices are also responsible for growing economic inequality, particularly the growing trend toward privatization of government functions, like public education.³ The privatization movement goes hand-in-hand with the dramatic decline in the power and ability of workers to bargain collectively for their pay, benefits, and working conditions. Figure 1 shows the correlation between union membership and middle-class incomes.

This correlation, of course, does not necessarily mean that declining union membership *causes* income loss, but the correlation is so strong that if we ignore it we are passing up an opportunity to help reverse this damaging growth in economic inequality.

Employees at the Lab are not sheltered from the problems caused by growing economic inequality. In addition to suffering through years of no raises or paltry raises, we have seen steady erosion in our health benefits and retirement benefits as the costs of these benefits go up. We have also seen steady erosion in our job rights and job security. There are other effects that, in some ways, are even more troublesome. In the next issue of the SPSE-UPTE Monthly Memo we will show how Lab management's choice to save money on infrastructure maintenance puts the health and safety of all of us at risk.

² "Working for the Few: Political capture and economic inequality", Oxfam Briefing Paper 178, 20 January 2014, available at www.oxfam.org.

³ See, for example, *Reign of Error: The Hoax of the Privatization Movement and the Danger to America's Public Schools*, by Diane Ravitch, Knopf (2013).



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For four decades we in SPSE have worked to make our Laboratory a better place to work by helping fellow employees and demanding fairness and transparency from Lab management. Our effort has never before been more important, and if you share this belief please go to <http://spse.org> and click on "Join Us."