



UNIONS FEED AT PUBLIC TROUGH *Taxpayers Subsidize Labor Movement*

Labor unions have benefited significantly from the political patronage system that grips the federal budget. It is not possible to discover all of the taxpayer funding of the vast labor network, but the available information clearly indicates that millions of dollars are funneled annually from the U.S. Treasury to union coffers.

For example, the AFL-CIO (and its affiliates) received more than \$2 million in federal grants between July 1993 and June 1994, including \$1.1 million for "Tripartite Construction Training/Technical Transfer" [DOL: 17.AAA]; \$868,000 for Section 8 Housing Rehabilitation [HUD: 14.856]; and \$70,000 for "Occupational Safety and Health" [DOL: 17.500] (Identification numbers refer to the *Catalog of Federal Domestic Assistance*).

AFL-CIO	\$2,038,000
AFSCME	\$148,000
American Federation of Teachers	\$143,000
American Nurses Association	\$965,000
Int'l Assn. of Machinists	\$1,770,000
National Education Association	\$385,000
Service Employees Int'l Union	\$137,000
Teamsters	\$3,542,000
United Auto Workers	\$805,000
United Brotherhood of Carpenters	\$257,000

Source: Federal Assistance Awards Data System (FAADS)

Perhaps the most well-known union, the Teamsters, joins the AFL-CIO as a major beneficiary of the federal budget. The largest Teamsters grant (\$1.7 million) came from HHS to fund worker training for the Superfund program [HHS: 93.142], but the union also benefited substantially from Section 8 Housing Rehabilitation funds (more than \$1.7 million), both directly and through apparent subsidiaries like "Teamsters Housing, Inc." [HUD: 14.856].

U.S. House Candidates (1988-93)^a	
Democrat	\$57,500,000
Republican	\$4,700,000
U.S. Senate Candidates (1988-93)^a	
Democrat	\$15,200,000
Republican	\$1,500,000
Party Committees (1994)^b	
DNC	\$835,000
RNC	\$0

Source: ^a Los Angeles Times, August 6, 1994
^b Washington Post, November 7, 1994

Other than job training and Section 8 money, unions also benefit from a wide array of other government grant programs. For example, the National Education Association (NEA) and the American Federation of Teachers receive more than half a million dollars for "AIDS Activity" each year [HHS: 93.118]. The NEA also received \$75,000 for a breast and cervical cancer early detection program [HHS: 93.919], about which the *Catalog of Federal Domestic Assistance* states, "eligible applicants are the official State health agencies of the United States."

Federal funding of labor unions is particularly disturbing since these organizations are so deeply involved in the political process at the federal and state levels. Labor unions disbursed nearly \$70 million to candidates of both parties for the U.S. House and Senate between 1988 and 1993. Moreover, eight unions alone contributed \$835,000 to the Democratic National Committee in 1994. This significant financial investment in partisan political activities — without even calculating the value of non-monetary political assistance for issue-based campaigns — clearly calls into question the propriety of coercing the U.S. taxpayers into spending millions of dollars each year to subsidize the labor movement.

Recently, the Service Employees International Union (SEIU) produced a newspaper advertisement opposing tax cuts and efforts in the Congress to slow the growth of welfare and Medicare. SEIU claims the Congress is attempting to “loot” welfare programs and “steal” from low-income home-energy assistance to help finance “corporate special interests.”¹ The ad lamented the impact on Fannie Johnson and her family in Ohio. This same labor special interest group was the beneficiary of \$137,000 in government funding in 1993 (for an “anti-discrimination public education campaign”). Terminating their taxpayer funding alone would eliminate the tax burden of nearly 30 families just like Ms. Johnson’s in Ohio.²

The American Nurses Association³ submitted testimony to the House Appropriations Subcommittee on Labor/HHS/Education on April 1, 1995. The ANA stressed the need for a \$63.5 million appropriation for the Nurse Education Act (Title VIII of the Public Health Service Act), of which the union received at least \$73,000 in FY 1994 [HHS: 93.359].

More than \$147,000 went to the American Federation of State, County and Municipal Employees (AFSCME) during the same time period for “AIDS Activity.” HHS also granted \$671,000 to the United Auto Workers (UAW) from the “Superfund Worker Training Program” for instruction in dealing with the cleanup of hazardous waste materials. Similarly, DOL provided the UAW with \$135,000 for the “Targeted Training Program - Confined Spaces” [DOL: 17.500].

The vast network of union advocacy should not continue to be intertwined with the hard-earned dollars of the American taxpayer. Labor unions should rely not on the taxpayers, but on their supportive members for the financial means to continue their programs.

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The Government Integrity Project examines the practice of permitting tax-exempt organizations which engage in political or legislative advocacy to receive funds from the federal government.

¹ See ad titled “Fannie Johnson Can’t Afford Another Republican Tax Cut,” *The New York Times*, June 15, 1995, p. B-11.

² See “Istook’s Budget Facts” from the Office of Representative Ernest Istook (R-OK), derived from IRS tax year 1992 data.

³ Although its name suggests that the American Nurses Association is a professional organization akin to the American Bar Association, the ANA in fact is a labor union.