



**ALLIANCE
FOR WORKER
FREEDOM**

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Fact Checking President Obama's Labor Day Speech

President Obama joined AFL-CIO president Richard Trumka in Milwaukee on Labor Day to tout their past accomplishments and future legislative agenda. Still trying to sell many of his controversial policies as axioms, Obama used the receptive crowd in Milwaukee to further the Democrats' narrative about unions, workers, and the economy. Unfortunately, repeating declarations does not make them true.

Myth: *"We talked about how the decks all too often were stacked in favor of special interest and against the interest of working Americans (by Wall Street)."*

Fact: This statement is true, but not in its original context. Current labor law favors unions and punishes Americans who want to abstain from union membership. In a majority of states, unions can require workers to join the union as a condition of employment.

Myth: *"It was the labor movement that helped secure so much of what we take for granted today. The 40-hour work week, the minimum wage, family leave, health insurance, social security, Medicare, retirement plans. The cornerstones of the middle-class security all bear the union label."*

Fact: While unions' role in improving working conditions is highly disputable, the assumption that unions are guardians of "middle-class security" is patently false. Far from ensuring a reliable retirement, nearly half of the nation's 20 largest unions have pension funds that federal law classifies as "endangered" or in "critical" condition due to the unfunded liabilities the pose on taxpayers.

Myth: *"We've given tax cuts—except we give them to folks who need them. We've given them to small business owners."*

Fact: President Obama is touting small, temporary tax cuts on the eve of the largest tax increase in history. Come January, a majority of small business profits will face a tax rate hike under the Obama-Pelosi-Reid plan.

Myth: *"When we passed a bill earlier this summer to help states save jobs—the jobs of hundreds of thousands of teachers and nurses and police officers and firefighters that were about to be laid off, they said no."*

Fact: Republicans did oppose HR 1586 as it sent billions from taxpayers to overly paid government workers—state and local public sector workers make an average of 34 percent more in wages and 70 percent more in benefits than private sector workers. Already highly compensated, most unions refuse to take minimal pay cuts or temporary wage freezes forcing localities to fire teachers.

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