



## **Workers Need a Constitutional Amendment to Keep Corporate Cash out of Elections**

On January 21, 2010, the U.S. Supreme Court unleashed a flood of corporate money into our political system. Contrary to longstanding precedent, the Court in *Citizens United v. Federal Election Commission* ruled that corporations have a first amendment right to spend unlimited amounts of money to promote or defeat candidates for political office. The decision in this historic case overturned a century of campaign finance law and stands to deal a devastating blow to our democracy unless we **act now**.

### **Democracy and Workers' Rights at Risk: Anti-Labor Corporations Now Have a Blank Check**

This disastrous decision is likely to have especially devastating implications for the labor movement. Large sums of corporate cash can now be used to finance candidates who will roll back workers' collective bargaining rights and block attempts to win fair wages and working conditions.

Over the past year, we've already seen numerous states all but eliminate collective bargaining rights. More often than not, the legislation passed in these states was spearheaded by representatives who owe their election to corporate donors. Meanwhile, corporate-backed politicians are pushing to privatize Social Security and Medicare, enact trade agreements that hurt American workers, and cut taxes for the super-rich.

Corporations working to undo hard-won workers' rights and enact regressive policies now have a **blank check** to spend **unlimited amounts** from their coffers. These businesses are interested first and foremost in protecting their bottom lines – **at the expense of working families**.

### **Americans are Outraged by the Court's decision**

- A Washington Post-ABC News poll shows that eight in 10 respondents oppose the court's decision in *Citizens United*.<sup>1</sup>
- A Survey USA poll found that 78% of respondents think corporations should be limited in the amount they are allowed to spend to influence elections. 70% say they already believe corporations have too much influence over elections.<sup>2</sup>
- Several polls also show a strong desire on the part of voters for full disclosure of corporate money in politics; however, according to a Hart Research Associated poll, 62% say disclosure is not enough.<sup>3</sup>

### **Since *the Court's decision*, Corporate Expenditures Have Soared**

- Spending by outside groups rose 427 percent in the 2010 election cycle, reaching \$294.2 million.<sup>4</sup>
- \$15.5 million of corporate cash went to "Super PACs" during the year following the decision.<sup>5</sup>
- In the 2010 election cycle, the U.S. Chamber of Commerce spent more than \$32.8 million on "electioneering communications." The Chamber, a vociferous opponent of the Employee Free Choice Act, which would have made it easier for workers to organize, spent more than double the amount spent by the SEIU, its closest spending rival among unions, on political ads.

- Even though *Citizens United* opens the door for unions to make unlimited campaign contributions, too, the reality is that unions have a tiny fraction of the resources available to large private corporations. Corporations have far more financial power than unions – and they won't hesitate to use it to advance an anti-labor agenda. Consider these figures:
  - In 2009, Goldman Sachs paid its employees more than double the total assets of the top 38 unions in the country.<sup>6</sup>
  - The nation's top four bank holding companies would have to allocate a mere one-tenth of one percent of their assets -- \$6 billion -- to counter a campaign in which the whole of the U.S. labor movement spent all of its assets.<sup>7</sup>
  - The aftermath of *Citizens United* has negatively impacted labor's political strength, as the floodgates are opened to unlimited electioneering from corporations and independent groups (many of them secretive), and as unlimited corporate cash has helped defeat pro-labor candidates and create pressure for anti-labor politics.<sup>8</sup>

### **Corporate Influence on Elections Poses a Serious Threat to Labor**

- In March 2011, House Transportation Chairman John Mica (R-Fla.) sponsored a proposal to include union-busting language in the Federal Aviation Administration reauthorization bill. The provision stated that if an eligible voter failed to vote for union representation, he or she would be counted as actively voting against it. Who's been bankrolling Mica's campaigns for office for the past 18 years? Mica's number one source of contributions is the airline industry, to the tune of \$646,993.<sup>9</sup>
- In 2010, *The Nation* made public the "election packet" distributed to 50,000 employees of Koch Industries, the notorious anti-union corporation, prior to the November elections. The packet includes a comprehensive list of Koch-supported candidates and advocates for policies that support "economic freedom" – like the end of mandated minimum wages and benefits packages for employees. Prior to the Supreme Court's decision in *Citizens United*, such propagandizing would have been prohibited. But now, union-busting corporations like Koch have free reign to make such heavy handed appeals to vulnerable workers. Yet the Court's decision doesn't mean that unions could offer similar advice to their members, promoting pro-union candidates in the workplace. Instead, employers retain a right to prohibit distribution of political materials by unions.<sup>10</sup>
- Koch's PAC also helped pave the way for Republican Scott Walker's election as governor of Wisconsin. The committee donated \$43,000 to Walker's campaign directly, and \$1 million to the Republican Governors Association, which spent \$65,000 to support the governor. In the spring of 2011, Walker passed an egregious bill to end public-sector unions' collective bargaining rights in Wisconsin, sparking national outcry and weeks of protests.<sup>11</sup>

### **The Path Forward**

Interim solutions, such as increasing public campaign financing, requiring disclosure of political donations and investor approval of political expenditures, may offer some relief. However, the political landscape has fundamentally shifted. Congress cannot overturn the decision through legislation alone. Legal remedies are few. Even the most dedicated labor champions in office are likely to be outspent by corporations and their political allies. We cannot go back to how things were before – **we must move forward.**

## It's Time for a Constitutional Amendment

A constitutional amendment is ultimately the long-term solution we must pursue in order to fully reverse the Court's decision, restore our rights and assert once and for all the democracy is for people, not corporations.

- Corporations are not people. They do not vote, and they should not be able to influence election outcomes.
- A constitutional amendment is ultimately the only way to finally overcome the profound challenges to our democracy posed by the *Citizens United* decision. Along with other organizations, Public Citizen is calling on Congress to propose a constitutional amendment to the states clarifying that the First Amendment does not give corporations the same protection as living, breathing citizens.
- Support is growing quickly. So far, more than 750,000 people have expressed their support for an amendment.

**Passing a constitutional amendment is not an insurmountable challenge. It is our best hope for ensuring that corporations don't use their pocketbooks to do irreparable damage to unions and working families.**

**Join our campaign to reclaim our democracy! Email Democracy is for People Senior Organizer Aquene Freechild at [afreechild@citizen.org](mailto:afreechild@citizen.org) or call 202-588-1000.**

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<sup>1</sup> Eggen, D. (2010, 17 February, 15 September, 2011). "Poll: Large majority opposes Supreme Court's decision on campaign financing." *Washington Post*. Retrieved 15 September, 2011, from <http://www.washingtonpost.com/wp-dyn/content/article/2010/02/17/AR2010021701151.html>.

<sup>2</sup> As cited in Congress Watch (2011, January). "12 Months After: The Effects of *Citizens United* on Elections and the Integrity of the Legislative Process." Retrieved 15 September 2011, from <http://www.citizen.org/documents/Citizens-United-20110113.pdf>.

<sup>3</sup> Hart Research Associates (2010, June). "Protecting Democracy From Unlimited Corporate Spending." Retrieved 15 September 2011, from <http://www.pfaw.org/sites/default/files/CitUPoll-PFAW.pdf>.

<sup>4</sup> Public Citizen's analysis of Federal Election Commission (FEC) data. See Congress Watch (2011, January). "12 Months After: The Effects of *Citizens United* on Elections and the Integrity of the Legislative Process." Retrieved 15 September 2011, 2011, from <http://www.citizen.org/documents/Citizens-United-20110113.pdf>.

<sup>5</sup> Beckel, M. (2011, March). "Influx of Corporate Political Cash Followed Pivotal Federal Court Decision." Retrieved 15 September, 2011, from <http://www.opensecrets.org/news/2011/03/influx-of-corporate-political-cash.html>.

<sup>6</sup> Bard, M. (2010, January 23). "*Citizens United* Reveals the Danger of Our Right Wing Supreme Court." *Huffington Post*. Retrieved 22 September, 2011, from [http://www.huffingtonpost.com/mitchell-bard/citizens-united-reveals-t\\_b\\_434296.html](http://www.huffingtonpost.com/mitchell-bard/citizens-united-reveals-t_b_434296.html).

<sup>7</sup> Ibid.

<sup>8</sup> Kraushaar, Josh (2011 May 17). "Laboring Under a New World: Unions are Taking a Bit Hit This Year, and Their Influence With It." Retrieved 15 November 2011, from <http://www.nationaljournal.com/columns/against-the-grain/laboring-under-a-new-world-20110517>.

<sup>9</sup> Stein, S. and L. Bassett (2011, March 3). "Labor Fighting Quiet Anti-Unionization Measure In Congress While Eyes Remain on Wisconsin." *Huffington Post*. Retrieved 22 September, 2011, from [http://www.huffingtonpost.com/2011/03/03/congress-unionization-faa-reauthorization\\_n\\_830862.html](http://www.huffingtonpost.com/2011/03/03/congress-unionization-faa-reauthorization_n_830862.html). Center for Responsive Politics (2011). "John L. Mica." *OpenSecrets.org*. Retrieved 22 September, 2011, from <http://www.opensecrets.org/politicians/summary.php?cid=N00002793&cycle=Career>.

<sup>10</sup> Koch Industries (2010). "2010 Election Packet." Published by *The Nation*. Retrieved 22 September, 2011, from <http://www.thenation.com/sites/default/files/Koch%20Vote%20Record-2-WM.pdf>; Ames, M. and M. Elk (2011, May 9). "Big Brothers: Thought Control at Koch." *The Nation*. Retrieved 22 September, 2011, from <http://www.thenation.com/article/160063/big-brothers-thought-control-koch>.

<sup>11</sup> Kroll, A. (2011, February 18). "Wisconsin Gov. Scott Walker Funded by Koch Bros." *Mother Jones*. Retrieved 22 September, 2011, from <http://motherjones.com/mojo/2011/02/wisconsin-scott-walker-koch-brothers>.