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## Working Rhode Island - 2004 Annual Report

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#### Editorial: Restoring the Balance of Power: How Rhode Island Corporations Have been Miseducating Taxpayers

Providence, Rhode Island, Ted Mitchell John F. Kennedy said, "A child miseducated is a child lost." As an educator of Social Studies, it is my responsibility to teach current events, history, politics, etc. in my classes while adhering to rules of objectivity. By simply omitting a source(s), I could miseducate my students. For example, if I were to teach about the presidential election only using Democratic Party sources, my students' opinions and perspectives would be biased and misinformed. It is imperative to provide a balance of sources and ideas so tha ...

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#### Carcieri may be blue, but he's not green

Politics as Usual by Jim Baron Providence, Rhode Island - Gov. Carcieri is feeling sorry for himself again. He gets this way sometimes -- misunderstood, put upon, beset on all sides by greedy and ...



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#### Working Rhode Island Unveils 2005 Legislative Agenda

2005 Legislative Agenda Working Rhode Island supports legislation that benefits all Rhode Islanders. Workers' Benefits We support legislation to increase in the minimum wage, from \$6.75 to \$7 ...

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## **Editorial: Restoring the Balance of Power: How Rhode Island Corporations Have been Miseducating Taxpayers**

Ted Mitchell

John F. Kennedy said, "A child miseducated is a child lost." As an educator of Social Studies, it is my responsibility to teach current events, history, politics, etc. in my classes while adhering to rules of objectivity. By simply omitting a source(s), I could miseducate my students. For example, if I were to teach about the presidential election only using Democratic Party sources, my students' opinions and perspectives would be biased and misinformed. It is imperative to provide a balance of sources and ideas so that students may become responsible, articulate, and informed participants in our democracy.

Unfortunately, I cannot say the same for the Education Partnership's recent report: *Teacher Contracts: Restoring the Balance*. And, given its notoriety and press coverage, it is evident that RI's citizens are being miseducated.

First of all, Rhode Islanders need to consider that The Education Partnership's board is almost exclusively made up of corporate leaders, including The Providence Journal (subsidiary of Houston-based Belo Corporation) and the national Cox Communication Corporation. The sources the report uses to validate its limited ten month long research completed by a private industry contract negotiator, consist of other corporate mouthpieces, such as RIPEC, The Pioneer Institute, and The Tax Foundation. Bear in mind that the primary motive of these businesses is to maximize profits, which is done by providing products or services as cheaply as possible. Non-unionized (cheaper) labor and lower taxes equal cheaper production costs, hence their sponsorship of corporate propaganda organizations like The Education Partnership.

The problem here is that these corporations have been so successful in propagating their own interests that the balance between business and workers desperately needs to be restored. For example, union membership peaked at 34.7% in the mid 1950's in this country, but is today down to only 17% in this state. This imbalance is further exacerbated by the fact that corporations outspend unions 14 to 1 in political contributions. These contributions have led to anti-worker legislation, such as the failure to increase the minimum wage above the poverty level, in addition to a lack of enforcement of worker safety conditions, overtime, etc. Consider that Americans are now working an extra full-time month per year more than they were decades ago for less pay! In 2003 dollars, average workers made \$36,573 in 1970, yet their paycheck only increased to \$40,330 in over three decades! However, CEO pay, like CVS's Tom Ryan's 10.4 million salary, has increased over 300% in the past ten years. (Note: CVS is a member of The Education Partnership & RIPEC)

Valerie Forti, the President and Secretary of The Education Partnership, claimed, "The money is there, but it is being spent excessively on adult entitlements." She goes on in the report about how our state is ranked 6th in the nation for its tax burden. Yet if Ms. Forti were to do all of her homework and include all of the research, she would find that the Federation of Tax Administrators ranks our state at 14th. And, if she were diligent enough to ensure the validity of her study and look at more sources in the nation such as the Tax Policy Center or Rockefeller Institute of Government, she would have found RI in 32nd and 29th place, respectively. In other words, overall, our state is not overly burdened by comparison if you consider the other sources. It is the omission of data, sources, and ideas that makes Teacher Contracts: Restoring the Balance an unscholarly and disingenuous study. An understanding of economics would have aided Valerie Forti in determining the extent of our fiscal crisis or tax debacle. Consider that President Bush drastically cut federal taxes rather than paying down our tremendous debt. Since our state taxes are proportional to the federal rate, this has resulted in less money collected by our state government, while our responsibilities have remained the same. The Center for Budget Policy Priorities estimated that these cuts have cost states and localities more than \$175 billion in the last few years.

The Education Partnership, if it had looked hard enough, could have found an abundant amount of money to ensure that our education system is viable and we are able to pay our teachers a competitive salary on which they could raise a family. For example, the author of the study laments the loss of humanities instruction due to town budget cuts. If our Department of Defense wouldn't waste our tax dollars on aerospace industry subsidies that don't work, like the Ballistic Missile Defense System (Star Wars), the school systems of Rhode Island could have hired 568 music and art teachers. If our Congress didn't repeal the Estate Tax that really only favors the richest of the rich, we could have saved \$138 billion to disperse to states. In fact, Mark Zepezauer who has done extensive research on our federal budget estimates that corporate welfare cost us \$815 billion in 2003, yet big business feels that teacher compensation is too lavish.

Unfortunately, Rhode Island citizens are being told by big business that our taxes are too high due to our educators, when in fact the share of RI's corporate taxes is the 7th lowest in our nation. These lavish recipients continue to be unsatisfied even though in 1950 corporations contributed 25% of the money for government programs, whereas by 2003 that number had been reduced to only 6%. In addition, between the years 2001-2003, eighty-two of the top Fortune 500 companies in the U.S. paid zero taxes, yet they collectively earned \$102 billion dollars in profits. To top it off, these freeloaders received tax rebate checks worth 12.6 billion! How many Rhode Island

taxpayers have benefited in a similar fashion from our inequitable tax system?

We all need to understand that nobody looks forward to paying taxes, but they provide essential services and meet the needs for our community. If we all paid our fair share the burden would be substantially less and we wouldn't need undeserved scapegoats. The Educational Partnership, being a corporate entity, is only doing what comes naturally to it. That is, promoting big business interests at the expense of our citizens. Let's restore the balance and make EVERYONE responsible.