

TESTIMONY BEFORE

**THE HOUSE COMMITTEE ON EDUCATION AND LABOR COMMITTEE
HEARING**

ON

**STRENGTHENING AMERICA'S MIDDLE CLASS: EVALUATING THE
ECONOMIC SQUEEZE ON AMERICA'S FAMILIES**

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BY

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Thank you Chairman Miller for holding this important hearing on the many challenges facing the middle class in this country – the real backbone of the American economy. I especially want to thank you for giving me the opportunity to testify today. I am honored and humbled to be a face and voice for so many women and men in this country who struggle to play and live by the rules, raise our families and hold on to the hope that the future holds a better life for us and our children. Unfortunately, that hope has grown dim for me and many others as we struggle to find a balance between working to provide for our families, spend quality time with our families, and plan for a stable future for ourselves and our children.

My name is Rosemary Miller and I have worked as a flight attendant for the past 17 years. Unfortunately, my career in the airline industry qualifies me to speak on the topic of today's hearing. Airline industry employees have suffered greatly over the past several years and have borne the burden of returning the industry, hopefully, to profitability. We have been at the forefront of a trend that is repeating itself all across our economy as we work longer and longer hours for reduced pay. We have seen our benefits slashed simply to keep the most basic of health care. We have had our pensions frozen or terminated and our employers have used this country's bankruptcy laws to shred union contracts and set back decades of progress we have made in turning our jobs into decent, stable careers that have allowed us to raise and support our families.

I would like to emphasize, however, that I am not really here to speak as an "I": I am here as a "we". In my remarks today, you should replace "I", "me" and "my" with "we", "us" and "our". In fact, please feel free to insert any one of a number of careers in place of mine. Whenever I say "we", I mean the workers of the middle class, *your constituents*. It could be a pilot sitting here today, or an airline mechanic, or an air traffic controller. It could be a nurse, or a firefighter, or a police officer. We are the people who install your cable TV, who drive your buses, who truck your groceries from farm to supermarket, who check you into your hotels, who teach your kids. We are the city and county civil servants who run your communities.

The reason we're here today is to tell you what it's really, really like in this country's current economy, and to impress upon you that our reality is not pretty. We have all heard and read the numbers coming from some economists and bureaucrats in Washington, DC, that suggest the economy is doing well. They tell us that the economy is growing, unemployment is low and things look rosy. I am here to tell you that things do not look rosy for middle class Americans. We are seeing our professions destroyed by corporate management policies. We are watching our wages plummet, our benefit packages shrink and our pensions disappear. We are working longer hours, for less pay. We are being forced to choose between dental work and the electrical bill, between required prescription medication and groceries, between braces for our kids and new brakes for the aging car.

In my own case, I have tried to do everything right in order to balance the demands of working full time, being a single mother and raising my two wonderful daughters. I choose a career as a flight attendant because of a love for the profession and the flexibility it allowed to spend time with my daughters when they needed me to be home. But knowing that things can change, I prepared for the future in case the day would come when I might have to quit the career I love. I went back to school and have been able to obtain two bachelors degrees and a masters degree. I started saving early for my daughters' college educations. I willingly joined a union and supported that union in order to have a voice on the job to preserve our wages and benefits. I've done everything within my power in to secure my job and my future.

However, upon entering bankruptcy, my employer has forced on me and my colleagues drastic wage and benefit reductions. I am now working longer and longer days as well as having to spend more and more time away from home. I have had to miss some of my daughters' school events that I vowed I would never miss because now I have to work longer in order to keep food on the table and a roof over our heads. But not only am I working longer; I'm earning less. My pension has been frozen. My benefits have been reduced. It is harder for me now, even with three degrees, to re-enter the workforce. And it angers and saddens me that I am going to have to withdraw the small sum that I

managed to carefully set aside for my children's first semester of college in order to keep paying the mortgage and keep my house - our home - a little longer.

Again, my plight is not unique and I consider myself fortunate in many ways. Consider me the voice for just a few of the people who can't be here today. For the woman with cancer who says, "... the thought of the senior executives at my company getting bonuses, gutting labor contracts and defaulting on pension obligations at the same time they are demanding a 40 % wage cut from me, while I am literally fighting for my life, makes me sicker than the cancer ever has." Or the pilot with over 30 years of service who is outraged that when he began with his airline, there were four Senior VPs on the payroll, but at last count there were 37. The colleague of mine who, after 18 years on the job, says she has to decide some days if she's going to buy a cup of coffee or a meal, or the woman whose husband lost his job of 28 years to outsourcing and had to start over for \$7.75 an hour. I know that we could spend hours telling these and similar stories.

Since we don't have hours however, let me move on. What do we, the middle class, think has gone wrong? Among other things, we think executive compensation packages that are wildly disproportionate to the contribution those employees make to a company's overall health are wrong. Why do we allow for an airline CEO to terminate all of the company employees' pensions, while keeping his own \$4.5 million pension? Why do we allow for these corporate robber barons to reward themselves compensation and management retention bonuses upon "successfully" bringing a company through bankruptcy? And I hate to use the word "successfully" because it is hard to use that term when so many employees' lives are shattered by the process. Should these individuals that drove the company into bankruptcy in the first place be rewarded for that? The average worker in this country struggles for a modest cost of living increase today while the CEOs that made 20 times what a worker made in the 1960s, now makes 400 times as much.

Bankruptcy laws that allow companies to evade pension funding obligations, and instead sanction degrading and unlivable employment contracts are wrong. The bankruptcy laws

have become a smokescreen for union busting and a tool to destroy employee contracts that were originally bargained in good faith. The abuse of these laws has eliminated employees' access to legal self-help when confronted with gross inequities in the sacrifices they have had to make during economic hard times. In fact, my employer has used the bankruptcy laws to enforce a contract on all the flight attendants without having to negotiate one in good faith. When we democratically rejected their proposed contracts as going too far, they instead threw up their hands and with the blessing of the bankruptcy courts imposed draconian working conditions and drastic wage cuts on us. Our union rights were destroyed. Using the bankruptcy laws and courts as a means to destroy union contracts must come to an end.

As for our health care system, something has gone horribly wrong. So many workers in this country are making enormous sacrifices to just maintain basic health insurance. Those of us with employer provided health care are finding it harder and harder to save money as our copays, premiums and other out of pocket expenses increase drastically. And it's increasingly harder for our employers to confer salary increases when they are paying so much more for our health care costs. Washington must act, sooner rather than later, in order to prevent the total collapse of our health care system.

Higher education for years was the path to the middle class. Now it is a necessity to simply survive in our globalized economy. The problem is that saving and paying for a college education has become harder and harder for most families today. And those that are fortunate enough to receive student loans to cover their costs find themselves in debt for many, many years. More must be done in order to make sure that American families can afford a college education for their children.

Saving for our retirement has grown harder as our wages have gone down, health costs have increased and college has become more difficult to afford. Many of us are losing, have lost or seen frozen our defined benefit pension plans. It is absolutely crucial that Congress act to protect and secure the present Social Security system to ensure that it is

there for all of us, who have worked hard our entire lives, when we reach our retirement years.

We'd also like to point out something else. We are people who live modest lifestyles. Notice that in our remarks today we are not asking for boats, or vacation homes in Aspen, or luxury cars. We are not lamenting the lack of a 30,000 sq. ft house or cosmetic surgery. We are asking for *livable* wages, a home that we *own*, *affordable* health care, *comfortable* retirement security, and *reasonable* means to provide for our children's college costs. It is obscene that in this country, among all others, it is such a struggle to simply live decently.

I know that there are many issues facing our government today. But when you, the members of Congress, walk onto an airplane, or check in to a hospital; when you send your kids to school, or go to the grocery store, or call the police, you expect us to be there to do our jobs. Now we are asking you, as legislators, as law- and policy-makers, to do yours. Which is, *listen to us. Hear us.* Be aware that it does not matter if we are Democrats, or Republicans, or Independents, or Green or Rainbow or pink with purple polka dots. We are the vast majority of Americans; we are your neighbors, your friends, your own family. We are the middle class, and we are having a hard time out here.

I want to thank you again for giving me this opportunity to testify today. I will answer any questions that you may have.