**Fear of Trump Triggers Deep Spending Cuts by Nation's Second-Largest Union**

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December 27, 2016

BloombergBusinessweek

"As we prepare to fight-back against the forthcoming attacks on working people and our communities under an extremist-run government, we know we must realign our resources and streamline our investments to buttress and broaden our movement to restore economic and democratic opportunity for all families," said SEIU spokeswoman

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In a clear sign that labor unions are bracing for lean times under Donald Trump, the massive Service Employees International Union is planning for a 30 percent budget cut over the next year, according to an internal memo reviewed by Bloomberg Businessweek.

"Because the far right will control all three branches of the federal government, we will face serious threats to the ability of working people to join together in unions," SEIU President Mary Kay Henry wrote in an internal memo dated Dec. 14. "These threats require us to make tough decisions that allow us to resist these attacks and to fight forward despite dramatically reduced resources."

After citing the need to "dramatically re-think" how to implement the union's strategy, Henry's all-staff letter announces that SEIU "must plan for a 30% reduction"

in the international union's budget by Jan. 1, 2018, including a 10 percent cut effective at the start of 2017.

SEIU, which represents nearly 2 million government, health-care, and building-services workers and wields an annual budget of $300 million, is the nation's second-largest union and arguably the most politically significant. In the past few years, SEIU has mounted organized labor's most effective political intervention with the "Fight for $15," a campaign that's dragged Democrats-from city council members to presidential candidates-further left on the minimum wage. At the same time, it cultivated close ties with President Obama, played a key role in passing Obamacare, and worked hard to elect Hillary Clinton.

Asked about what the memo could mean for its current campaigns, SEIU didn't offer specifics. "As we prepare to fight-back against the forthcoming attacks on working people and our communities under an extremist-run government, we know we must realign our resources and streamline our investments to buttress and broaden our movement to restore economic and democratic opportunity for all families," said spokeswoman Sahar Wali. "As part of this process, we are currently looking at possible ways to improve our budgets."

SEIU, like most of its peers, was already in a state of slow-motion crisis before Trump's victory. Things will only get worse after inauguration, when organized labor will find itself without a friend in the White House. Unions will instead be up against unified Republican control of the federal government and of half the nation's state governments, where labor organizers have already suffered some severe blows.

In Michigan, for example, Republicans in 2012 passed a private sector "Right to Work" law that let workers decline to fund the unions representing them, a public sector law doing the same for government employees, and a third law stripping University of Michigan graduate student researchers and home-health aides of their collective-bargaining rights. Afterwards, SEIU's Michigan health-care local lost most of its membership.

With Republican dominance in Washington, the threats to SEIU will get more grave: Everything from slashing health-care spending to passing a federal law extending "Right to Work" to all private-sector employees could be on the table.

One of the most widely expected scenarios is that a Trump appointee will provide the decisive fifth vote on the Supreme Court's labor cases.

The court already ruled in 2014 that making government-funded home health aides pay union fees violated the First Amendment, and a future case could apply the same logic to all government employees, effectively making the whole public sector "Right to Work." SEIU was bracing for such a ruling earlier this year, in a case called Friedrichs v. California Teachers Association, but got an unexpected reprieve when Justice Antonin Scalia's death left the court tied, four to four. With several similar cases brought by union opponents already making their way through lower courts, it may not last for long.

The Dec. 14 internal memo from SEIU's president doesn't specify which threats necessitate planning for a 30 percent cut or how particular programs could be affected. It does reference the next congressional and presidential election cycles, saying the union needs to "focus our resources and energy on the fights that position us to retake power in 2018, 2020 and beyond,"

as well as position itself "to take on the forthcoming attacks, absorb the short-term losses and strengthen ourselves to win big in the future."

The Trump-induced triage could affect the Fight for $15, which has swept across the country as a blend of legal and regulatory attacks, media and political pressure, and high-profile workplace strikes. The goal has been to force higher pay standards in the low-wage economy and to compel the virtually union-free fast-food industry to embrace some form of unionization. SEIU has spent tens of millions on the campaign since 2012.

The unorthodox campaign has pulled off some big coups, including $15 wage laws passed this year in California and New York State, but there's been no national agreement. Even before Trump's win, the prospect of a Friedrichs loss and the array of attacks facing unions had some skeptics wondering how long SEIU could afford to keep funding the $15 wage push without any matching influx of fast-food union dues.

SEIU leaders around the country have countered that the emergence of a popular Fight for $15 movement, whose strikes and slogans now encompass workers i in SEIU's traditional industries, is already paying off by making it easier for home-care workers to win bigger raises and galvanizing support for airport workers in unionization campaigns. They say the high-profile campaign is inspiring many more workers-including the government employees that the Supreme Court could soon give the option to opt-out of fees-to want to be involved in SEIU.

Asked last year whether, if labor lost the Friedrichs case, she would direct funds away from the Fight for $15,SEIU's Henry answered, "absolutely not."

She added, "You can't go smaller in this moment.

You have to go bigger."