

**DETAILS FOR IEB REVIEW RE: "A COUNTRY THAT WORKS"**

(August 2006)

**Description of the Book:**

The book contract describes the book as providing Andy Stern's analysis of the state of America in the Information Age; how we must adapt to be competitive; and the future of America's workers and unions. The finished manuscript covers numerous subjects of concern to working families. As described in more detail below, the message of the book promotes a society that is based on working family values.

The book attempts to accomplish many things, each of which (at least in part, if not in full) is critical to advancing the mission of the union as SEIU fights for social and economic justice in the US and globally.

1. As a study of the trends affecting American workers at home and abroad, the book makes the case that the economic anxiety that so many families face is the product of the broader economic and political trends rather than the failings of individuals. At a time when the labor movement is perceived as "dead" by so many of the very people who need labor organizing the most, the book argues forcefully for a re-imagined role for the labor movement to make the future work for more people. The book will help SEIU's organizing and community outreach efforts as we seek to draw working families into our broader efforts for labor and political organizing.
2. The book explains to the broader world SEIU's vision for effective labor/management partnerships in our key industries. For the audience of business leaders, exploring these issues in the format of the book is an important tool in making the case that SEIU will be an effective partner for change. In the same way that President Stern's recent Op-Ed in the WSJ about health care issues was an attempt to communicate SEIU's willingness to engage with the business community on these issues, the book brands SEIU as a forward-thinking and ambitious organization ready to change the rules of the game in the pursuit of our mission.
3. For politicians, the book lays down the gauntlet about what their obligations to the labor movement should be. By assailing the complacency of so many in the labor movement towards the Democratic Party's distance from labor issues, the book establishes clearly what SEIU's expectations from politicians will be on the national level.
4. The book presents (from President Stern's perspective) the events that broke up the AFL-CIO and started CtW, and explains how his opinions formed and why he took the actions he did. The book should help dispel many of the myths that still surround SEIU's breakup with the AFL-CIO. The book refocuses the debate away from the grievances of the split and presents a compelling vision for the future of

CtW. It will help clear the dust from the air that lingers from the events of last summer and allow us all to get on with our work.

The viewpoints of union leaders who promote the concerns of working families often get little coverage compared to those of other public figures. It is my belief that if the book gets sufficiently wide circulation, it should advance the mission of SEIU to improve the lives of workers and their communities by influencing opinion makers, decision-makers and the public at large about what has to change in America to bring about a more just and humane society.

#### **Financial Terms of the Book Contract:**

**The Book Contract:** The financial details of the book contract were explained to the Board during the executive session at the Phoenix Board meeting in February 2006. They are provided here again for your background information. Anyone who would like a copy of the full contract should contact Judy Scott, SEIU General Counsel, who will forward the contract to you as well.

Under the book contract, Andy Stern is to be paid \$175,000 in advance payments. Out of this advance, President Stern will pay a 15% commission to the book agent (The Elizabeth Kaplan Literary Agency) and \$30,000 plus expenses to Jodie Franklin, his collaborator on the book.

The schedule for payment of the advance is as follows:

- Payment 1: \$50,000 on signing of the book contract;
- Payment 2: \$45,000 on delivery and acceptance of the complete manuscript, as satisfactory to Publisher;
- Payment 3: \$45,000 on Publisher's first publication of the hardcover edition of the book or 18 months after delivery and acceptance of the complete manuscript, whichever is earlier; and
- Payment 4: \$35,000 on Publisher's first publication of the paperback edition of the book or 12 months after Publisher's first publication of the hardcover edition, whichever is earlier.

In addition, President Stern is entitled to royalty payments based on the nature (e.g. hardback or paperback) and number of books sold by the Publisher. A copy of this royalty schedule (Sections 6, 7 and 8 of Part III of the Contract) is attached to this poll for your review. Future royalty payments earned may be counted against the advance payments made to Andy as described above. If future royalties do not cover the advance payments, however, the Publisher will not seek to recoup the overpayment. **No royalties, including future royalties, shall be payable to President Stern on copies sold to SEIU or its local unions. Future royalties will be paid on books sold to the general public.**

#### **Book Purchasing Arrangement for SEIU and SEIU Local Unions/Royalty Waiver**

The publisher's retail price for the book is \$24.00. Two different arrangements have been made for the purchase of the book by SEIU and/or SEIU locals at a discounted price with the publisher, Simon & Schuster, or with Powell's Bookstore, an independent unionized bookstore in Portland, Oregon. If the IEB approves this poll, information will be distributed to the locals on how to make such purchases if they so desire.

Any future royalty payments resulting directly or indirectly from the sale of these books to SEIU or SEIU local unions through either of the two purchasing arrangements shall not be paid to Andy Stern. Instead, such royalty amounts that may have accrued shall be contributed to the SEIU Education and Support Fund.

**NOTE:** Local Unions that wish to purchase the book in bulk for resale to members or for free distribution to their officers and/or members should first ensure that the purchase is properly authorized pursuant to the Local Union's constitution and bylaws. If approved by the IEB, the substance of this Board resolution and accompanying documents may be helpful to any Local considering whether to authorize such a purchase. No union officer, Local Union, union staff, or member should feel compelled in any way to purchase a book. This is truly a voluntary decision on the part of those who make it, and no adverse impact will result for anyone or any entity who refrains from purchasing or promoting the book.

#### **Costs Associated with Production of the Book**

President Stern has delivered his final manuscript to the Publisher. In preparation of the manuscript, he relied on certain individuals at the Union to read the manuscript for comments and to assist in fact-checking certain research. SEIU Communication Department also conducted a photo shoot for the book's cover photos, which are now available for SEIU use as well. The secretarial staff in the President's office also helped, on occasion, arranging meetings and doing copying and other administrative work. President Stern's own work on the book was conducted primarily on personal time.

#### **Costs Associated with Publication and Promotion of Book**

Because of the nature of the book and the fact that it will advance the mission of the Union to improve the lives of working families, the Union would like to undertake an active plan to promote the book so it gets wide attention and is read by a broad population. We believe the book can be a very effective communication tool to advance our seven strengths programs. We would like the IEB to review the three major ways we plan to promote the book, and decide whether or not you approve of them.

While the publisher, Simon & Schuster, will also be planning, at its expense, promotional efforts associated with the publication of books of this type, this promotional undertaking will be relatively minimal. Experienced consultants have advised us that a book author must undertake his/her own efforts to promote the book, apart from the publisher, to achieve the goal of generating widespread public interest in a book's message.

The proposed SEIU Promotion Plan involves: 1) Book events with President Stern, 2) SEIU local union/member events and 3) website publicity.

I have outlined below more specifically the costs to SEIU of various components of the plan to promote the book.

1. **Purchase by the SEIU of 500 books** for free distribution to IEB members, opinion makers and individuals determined at the discretion of Executive Officers to advance the Union's objectives, at a cost of approximately \$6000 (plus shipping and taxes). No additional royalty payment or royalty credit shall be given to Andy Stern on account of this purchase. Additional purchases by SEIU for such purposes shall be subject to approval by the other four executive officers, without President Stern's participation.

2. **Travel and Time of Andy Stern related to Book Events (an initial October schedule of cities with book events is attached).** A current employee on the Union's staff may accompany President Stern on occasion. If approved by this poll, books would be available for sale to the SEIU locals for use at local union events (with royalties diverted to the SEIU Education and Support Fund, rather than paid to Andy Stern), and, depending on the event, for sale to the public under the regular royalty conditions.

3. **In-House SEIU Services:** The SEIU would like to utilize the services from time to time of a small team of SEIU staff (primarily, Bandele McQueen and Gina Glantz). Steve Trossman, the acting Communication Director, and TJ Michels in the Communications Department shall assist occasionally on communications needs. Secretarial/administrative support also on occasion would be provided to assist the book events. This team would help in planning the book events, book arrangements, press contacts, and publicity.

4. **Additional Monetary Costs:** SEIU proposes to contract for the additional following services in promotion of President Stern's book, up to a maximum amount of \$80,000:

Public Relations/Publicity Coordination: PRSolutions           \$45,000

Internet Site and Blogosphere Promotion of **Website: ACountrythatWorks.com:** This public website will be created and maintained by EchoDitto. It will feature reviews of the book, a discussion forum, and provide a public link to booksellers in the event an individual visitor to the site wishes to purchase a book.

EchoDitto	\$18,000
Book Events:	\$ 7,500
Expenses	\$ 9,500
Total:	\$80,000