

# **KILLING THE GOOSE**



## **WHAT DOES THE MANAGEMENT AND EMPLOYEES OF GENERAL MOTORS AND THE GOVERNMENT AND EMPLOYEES OF THE STATE OF NEW JERSEY HAVE IN COMMON?**

I have heard many say that the Bankruptcy of General Motors and the potential Bankruptcy of the State of New Jersey (California, New York, others) can be blamed on the "greedy" unions that work for them.

I do not agree.

It takes two parties to make a collective bargaining agreement. If you make demands on me that I consider "greedy" and I agree to those demands knowing it will lead to financial ruin, what does that make me? I would say that makes me "stupid".

Whether we are talking about General Motors and the UAW or New Jersey and its State Employees, both sides should have known they were entering into an agreement that was not sustainable. This is not rocket science. It is basic arithmetic.

If you agree to work for me for 20 or 25 or 30 years after which time I agree to pay you a lifetime income, plus all your healthcare costs, you may be "greedy" to ask for it but I am "stupid" if I agree to it.

Both sides share the blame. Both sides killed the goose that was laying the golden eggs.

Something to think about.....

Bob