



# No. 47



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THE OFFICIAL NEWSLETTER OF THE ST. LOUIS NEWSPAPER GUILD LOCAL 36047

# Retail ad-versity

**Q: When is a commission plan not a commission plan?**

**A: When you work at the Post-Dispatch.**

No, that's not a joke. It's the truth. Our commission salespeople are NOT paid a commission on what they sell. Under their pay system, their salaries can drop significantly from one year to the next even if their overall ad sales revenue increases.

And often, they face unfair discipline because they haven't met the sales goals set by an unfair and illogical system.

Outside advertising sales reps at the St. Louis Post-Dispatch -- even those who are called commission sales reps -- are not paid what you and I understand a commission to be. They are paid bonuses, and paycheckwise, there's a huge difference.

Under commission plans at other companies, salespeople keep a portion of the sales revenue they bring in. For instance, someone who sells \$25,000 worth of a product -- and who has a commission of 10 percent -- would earn \$2500. Simple math. Now, if you're an outside sales rep at the Post (they go outside to sell, as opposed to working inside selling over the phone), you don't get that \$2500. You get \$400 a week (before taxes) and a chance at a bonus, provided you hit your magic sales numbers.

Under the Post "commission" plan, the salespeople have to bring in more ad revenue during a sales period (roughly a month) than they did for that same sales period the previous year to get an adequate bonus. Here's an example of how it works: A salesperson sold \$30,000 worth of retail ads in April 2005. If the salesperson sells 90 percent of that amount (\$27,000) in April 2006, he or she gets a bonus of about \$400 for the month. This is in addition to base pay of \$400 a week that all "commission" salespeople get. Plus, the salesperson gets .001 percent of all revenue for the sales period, or

in this case \$27.00 (.001 percent of \$27,000). This extra \$27.00 is what the company calls the commission. The paycheck for the month in this case would be \$2027.00 before taxes.

The bonuses and "commission" percentages vary. A salesperson who sells 45 percent over and above what was sold in the sales period the previous year gets a bonus of roughly \$2,675. So if \$30,000 in ads were sold in April 2005, and the salesperson sold \$43,500 in April 2006 (45 percent above the \$30,000), the salesperson gets \$400 a week base pay, a \$2,675 bonus and the "commission" -- which in this case is 8 percent of everything above the \$30,000, or \$1,080. That comes to earnings for that month of \$4,955 before taxes.

That's nothing to sneeze at. But the following month, the person might not fare so well. And keep in mind that the salesperson has to bring in more revenue in April 2007 to get the same paycheck. And then bring in even more in April 2008.

It is not unheard of (indeed, it's becoming more and more common) for someone to go from earning \$60,000 in one year to earning less than half of that in the next because he or she couldn't exceed revenue brought in during sales periods the previous year.

One of the flaws in the system is its failure to deal with sales spikes -- sudden, one-time increases due to unique circumstances that can't be duplicated, such as the opening of a new shopping center.

If a sales rep's territory has a grand opening, sales will increase that month, and while that's good for the sales rep NOW, it works against her or him next year when the ad revenue has to be even higher for the salesperson to get a good bonus, and there's not another shopping center opening.

FROM THE PRESIDENT

## Stand by your salespeople

BY JEFF GORDON

*President of the St. Louis Newspaper Guild*

Everybody at the Post-Dispatch should care about how our advertising salespeople are faring. These people drive the revenue at the newspaper. They are very important employees and vital members of the Local.

The Guild needs everyone's backing in its effort to persuade the company to give salespeople a fair chance to succeed. By definition, union members pull for each other and come together for common causes.

The more workers we represent within a market -- and within a particular company -- the stronger our union's voice becomes. Historically, Guild locals representing salespeople and other employees in the business operation have gained more leverage while bargaining and enforcing contracts than have those that represent only the news employees.

Top Post-Dispatch executives have told us they want to recruit, train and retain top salespeople. The executives say they want to maintain incentives that encourage salespeople to excel. The executives say they can't allow people to become lazy.

We say the executives can't burn them out, either.

Those who signed on for commission sales understood the challenge going in. You either sell or you go hungry. But our members tell us that in some cases, their

See AD-VERSITY, Page 4

See STAND, Page 4

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**The No. 47 is a publication of the St. Louis Newspaper Guild Local 36047.**

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**The No. 47 welcomes submissions from all members of the St. Louis Guild.**

## Back from 'radical camp'

*T. Kathy David, recording secretary of the St. Louis Newspaper Guild, attended the six-week Harvard Trade Union Program in January and February, after winning a scholarship for the program from the International Guild. David, a union activist who has worked at the Post-Dispatch for nearly seven years, called the program "radical camp." Her classmates included labor activists from across the globe, many of whom were just plain appalled, she said, at labor laws and the labor climate in the U.S. No. 47 met with David shortly after her return. Following are excerpts from that interview.*

**No. 47:** You've said that your Canadian classmates thought of the U.S. as a bad labor example. How so?

**David:** They look at our national government and they look at how laws here are against labor unions, as opposed to being neutral toward labor unions. It's much easier to join a union in Canada than in the United States. It's much more accepted and accessible.

We have laws in this country that work against us -- right-to-work being a big one. We don't allow unions to form just using a card check-off; we have to organize an election. While we're organizing election campaigns, the management side can have closed-door meetings with employees, one-on-one meetings ... to frighten and threaten and do what they do.

Canadians were horrified.

I also found that we are facing some of the same battles that the people in Vietnam are, with privatization and multi-national corporations exploiting a low-wage workforce.

**No. 47:** What does U.S. labor need to do?

**David:** Speak out more. We need to be better organized and on-message. An example was the Sago Mine disaster in January. The miners were killed in an explosion at a mine that had been cited numerous times for safety violations over several years. The family members were being interviewed; the fire chief, the doctors, everybody's on "Larry King Live." I didn't see the United Mine Workers there. I would think they would be standing up and screaming: "This was an unsafe mine. This was a nonunion mine. We tried to organize it and they ran us out with anti-union tactics."

**No. 47:** So why aren't unions speaking out?

**David:** Some of my classmates feel like they don't get fair treatment from the media, that the media is just out for the sensationalism. And so they're very wary of talking to

a reporter. They don't have a relationship or rapport with reporters and some of them were not comfortable talking to the press.

The Guild's case is different because we are the media. And I don't think anyone has a problem talking to the press. I think though that we could be a little more visible, a little more high-profile. Political action is a little questionable for some newsroom people, but the rest of us could stand up and wear our Guild T-shirts and go to a peace rally or a pro-Democratic candidate rally. Maybe we shouldn't be afraid to be seen to take a stand on things.

**No. 47:** Outsourcing by U.S. companies is posing a serious problem for labor here. Were there any solutions coming out of your class?

**David:** Basically, the class solution was that the labor movement needs to reach out internationally. I would like to lift up the workers all over the world, in India, in Mexico, in Vietnam. While we're fighting with them over a lower-wage job, management people are getting \$200,000 bonuses. We have people getting fatter and fatter up on top. We all need to be looking in the same direction. And in modern-day capitalism, you have to look way up.

Corporate America needs to be called out for what they're practicing now. Greed has become OK. They've justified greed as the means to the end: I have to do this because my stockholders expect a return.

**No. 47:** Labor issues could be approached as justice issues.

**David:** We had a course on labor and religion. It was fantastic. I was invited to attend an Episcopal service. I wore a "Jobs With Justice" T-shirt. They were very supportive of people fighting for justice. That's in the Bible. There has to be social justice on every level. You can't say I'm "pro-life"

**See CAMP, Page 3**

# Remembering Bill Woo

Guild members were saddened to learn of the death of Bill Woo, former editor of the Post-Dispatch. Mr. Woo, who died this month of cancer at the age of 69, is remembered as a kind, fair-minded boss who treated employees with courtesy and respect.

With the Pulitzer Platform as his guide, Mr. Woo led the newspaper with professionalism and integrity for 10 years, beginning in 1986. He was also a columnist and served as editorial editor before his appointment as editor.

Mr. Woo first joined the Post-Dispatch as a feature writer -- coming here from the Kansas City Star -- and was a member of the Guild. Herb Goodrick, former Guild business representative, said Mr. Woo always appreciated the benefits of belonging to the union. "Bill said that when he drove from Kansas City to St. Louis, he didn't become twice the reporter, but his salary doubled."

In 1978, when the Guild was locked out during a Pressmen's strike, Mr. Woo edited a

strike newspaper put out by Guild members. "He was very proud of the fact that the paper actually made money," Goodrick said.

Goodrick called Mr. Woo "a quality person who cared about his fellow man."

Joe Pollack, former Guild president, said Woo "felt loyalty to the Guild even after he became exempt. He understood the importance of the Guild and was appreciative of what the Guild did for him."

Mr. Woo was a gentleman to everyone on the staff, Pollack said. "And one of the great things Bill was able to do was make us think it was all about journalism," he said.

Mr. Woo's widow, Martha Shirk Woo, was a Post-Dispatch reporter and loyal Guild member for many years. The Guild sent Martha a plant in remembrance of her husband. If any of you would like to write to Martha, her address is 746 Los Robles Avenue, Palo Alto, Calif., 94306.

## Subscription drive at Labor Mass will help Guild members at St. Louis Review

With media outlets in the United States increasingly in the hands of a few, giant corporations, the role of alternative voices in the community is more important than ever. One source that has faithfully stressed social justice issues is the Catholic press.

News of the Catholic church and issues of interest to Catholics in the St. Louis area is published each week in the St. Louis Review, whose staff is represented by our Guild.

And recent issues of the paper have carried several articles of interest to union members. One recent story detailed how students at St. Louis University and others are supporting farm workers who are appealing to the McDonald's restaurant chain to secure increased compensation and safe working conditions. The article revealed exploitation and slavery-like conditions in the fields worked by tomato pickers. Recent Review articles also have covered efforts for immigration reform and the support of labor leaders for a bill that would end exploitation of immigrant workers.

The newspaper carries in-depth coverage of events and people within the St. Louis Archdiocese, news of the Catholic church throughout the world and stories about issues affecting Catholics everywhere.

Your subscription would not only bring into your home an excellent Catholic newspaper but would give a boost to your brothers and sisters at the Review who will be trying to negotiate a new contract next year. An increase in circulation would definitely help them. Yearly subscriptions are \$25.

The Guild is planning to hand out fliers promoting subscriptions to the Review to people attending the annual Labor Mass next month. The Mass will be at 9 a.m. May 7 at the Shrine of St. Joseph, 11th and Biddle streets in St. Louis. After the Mass, everyone is invited to a labor breakfast at Maggie O'Brien's. If you can hand out fliers before the Mass or wish to attend the breakfast, call the Guild office at 241-7046.

Meanwhile, for more information about the Review or to subscribe, call (314) 792-7500 or write to the St. Louis Review, 20 Archbishop May Drive, St. Louis, Mo. 63119. Information also is available on the Review's Web site at [stlouisreview.com](http://stlouisreview.com).

## CAMP

### From Page 2

and then toss toxic waste into the Mississippi. You just can't say "I'm a good Catholic" and then tell your employees who've already chosen to have a union that they have to have an open shop.

**No. 47:** What could the Guild do to influence change in U.S. labor?

**David:** The No. 1 issue for the organized, the unorganized and management -- everybody -- is health care. We could come up with a plan, a suggestion, a way to open a dialogue within ourselves as a Guild, within the wider St. Louis labor movement and the state of Missouri. We should form alliances and work for change.

I also think it's important that as unions and union people, we look at how our money is invested, such as our pension money. Are we investing in companies that help labor, or are they anti-union?

We went to the Lee stockholders meeting. Everyone in the class was impressed that we were doing that. They thought that was a very impressive form of action. We can do the same with J.P. Morgan (administrator of Lee's 401k plan). It's our money.

**No. 47:** Speaking of change -- on a local level -- the Post-Dispatch union contract is up in about three years. That's not a long time.

**David:** Not at all. It took us 18 months to get this contract. If you're prepared for what they're going to bring at you, if you have an eye on what you believe or perceive their strategy to be, you can mount your defenses. And you can create an offensive strategy. But we need to know where we're going.

**No. 47:** How do we get there from here?

**David:** I brought back a lot of ideas, a lot of tools for the union to use, which I don't want to talk about to let management know what we might do. But what we need to do as a group is decide where we're going, what we want to accomplish, where we want to be, because those things are going to determine which tools we use. We need to hear from everybody. I want to hear from everybody in the Guild. I think that would be the healthiest thing to do. You don't want to hear from the same people all the time. You want to hear from everybody, what do we think about this, what are we willing to do to get there. We need to decide what kind of time and effort we're willing to invest to get to our destination.

## AD-VERSITY

### From Page 1

Or a business in the sales rep's territory might close, but the salesperson still has to try to beat the previous year's revenue. As far as we can tell, this isn't the case in the rest of the Lee family.

### INCENTIVES TO STOP SELLING

The system itself works against high sales levels. To begin with, there's a cap on the amount a sales rep can earn. Once sales reps bring in around 145 percent of the sales revenue generated during the sales period the previous year, their earnings are capped. Caps don't make sense. It seems logical that once salespeople stop getting paid, they have no motive to keep selling.

The sales bonus system actually can discourage sales reps from selling more. Say you're a sales rep trying to sell enough to get some kind of bonus. If you sold \$50,000 last April, you need to sell at least \$45,000 to get a small bonus of \$400 for this April. If you're at \$35,000 and could sell another \$8,000, how motivated would you be to bother? You're not going to get that bonus, small as it is. Plus, if you do sell the extra \$8,000, when next year rolls around, your goals will be based on beating \$43,000, rather than \$35,000.

Another problem for sales reps is that supervisors can take accounts away from them and give them to another sales rep for any or no reason. Or, they can give a sales rep a slow account that's not producing much and the salesperson still has to generate at least 90 percent of the revenue brought in the previous year to get any bonus at all.

The only other way salespeople can make money above their \$400 weekly base pay is to meet certain other advertising targets, such as selling ads in a special section.

## STAND

### From Page 1

bonus-driven plans actually create disincentives to sell. Our members tell us that some plans set the salespeople up to fail after just a year or two on the job. They explain how mandated changes in assignments, territory and/or clients limit their ability to succeed and hurt the Post-Dispatch's overall sales effort.

We hope to work with the company on improving things for the salespeople during the months ahead. There is no bigger issue on our horizon. The Post-Dispatch simply MUST increase its share of the local advertising market. The newspaper must find new ways to generate revenue.

We will be keeping you informed of the situation with the salespeople as it unfolds. It is possible that down the road, we may ask you to demonstrate your support for them in their efforts to establish a fair sales commission plan. Our salespeople believe there are some better ways to attack this enormous challenge. If we all do our part, the Guild leadership is confident their voices can be heard.

But this isn't much money, only a few dollars.

### MOTIVATIONAL FLOGGING

Salespeople who fail to reach their goals are

subject to discipline, and the Guild has represented a number of salespeople in disciplinary matters.

The St. Louis Newspaper Guild does not believe it's right or productive -- or even sporting -- to compound misfortune by piling on discipline for someone undergoing financial hardship.

Many good salespeople are leaving. They are going into sales at other companies where they are doing well. This says to us the problems they had making money at the Post weren't of their own creation.

While the Post has the authority to set up commission plans, we wonder why Post executives would want to keep this one.

### MEETING WITH MANAGEMENT

The Guild wants to see its members excel in all aspects of their careers. We believe in our members, and we also believe strongly in the Post-Dispatch. We want to see it be wildly successful. Toward that end, nothing would make us happier than to see record sales in retail advertising.

But we have to be honest here and say that we fail to understand the logic behind the retail sales system, and we believe that the conditions should be changed to reflect a more reasoned approach.

Recently, your Guild representatives met with Post management to voice our concerns over these issues. We expressed our thoughts and they listened. We asked for clarification on some issues and they provided it. There was some common ground, and we left feeling somewhat encouraged. It is our fervent hope that management will work with us so that soon our members will no longer work in such a system.

Meanwhile, we'll keep you posted on developments.

## Proposed bylaws changes

A Guild Bylaws Committee has completed a draft of proposed changes in the bylaws. The draft will be posted soon on the Guild's Web site, [www.stlouisguild.org](http://www.stlouisguild.org). Notices will be posted on union bulletin boards when the draft is on the Web.

The committee wants your input on the

draft. Informational sessions on the draft proposal will be held next month. Times and dates will be announced later.

Once the committee hears from Guild members on the changes, the committee will develop a final proposal to go to the Executive Board. If the Executive Board approves

the proposal, Guild members will vote on it, sometimes this summer.

The bylaws are important. And your views are important. Once the draft is on the Web site, please let the Guild office know what you think.