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Portland*Labor Day fun*

Picnics honoring America's workers were not in short supply in Oregon on Labor Day, with unions sponsoring events in Portland, Astoria, Bend, Eugene, Medford, and North Bend. Tens of thousands of people enjoyed games, barbecues and live music, while mingling with local and statewide politicians and candidates. The Northwest Oregon Labor Council attracted the largest crowd at Oaks Park in Portland, where park officials estimated the crowd at nearly 15,000. In attendance was Gov. Ted Kulongoski, who tried his hand at the dunk tank (photo left). The governor successfully dunked Jeff Richardson, financial secretary-treasurer of UNITE HERE Local 9 (photos center and right). The dunk tank was sponsored by Union Plus Mortgage. Funds raised (about \$500) were donated to the Machinists Union's strike fund for members at Cummins NW. (Photos by Michael Gutwig)

*The State of Working America***Workers' wages have declined over the last five years**

By DON McINTOSH
Associate Editor

America's workers are losing ground to America's elites, according to the State of Working America and several other recent reports.

Every other Labor Day, the Washington, D.C.-based Economic Policy Institute releases the State of Working America, a pulse-check chock-full of economic statistics on the well-being of American workers. EPI is an independent, non-partisan research institute, but it's not neutral. Its motto is "Research for Broadly Shared Prosperity," and its mission is to use economic analysis to promote a prosperous, fair, and sustainable economy.

The conclusions of the 2006 State of Working America are nothing new for those who've been paying attention.

Adjusted for inflation, wages for workers have declined over the last five years — despite rapid growth in the productivity of the economy. Only the wealthiest are seeing their incomes rising faster than inflation. Starting wages for most jobs are lower. Wage growth over the course of an in-

dividual's career is slower than it used to be. There's less class mobility from generation to generation than there used to be. And American workers are falling behind their counterparts in Japan and Europe in basic quality of life standards.

"Today we're seeing more and more Americans rowing harder and harder but not moving forward, while the big boats zoom farther ahead," said EPI President Lawrence Mishel, who co-authored the report.

The EPI report, released over the Labor Day weekend, coincided with an Aug. 29 report from the U.S. Census Bureau, and an Aug. 31 report from the U.S. Department of Labor. The government reports contained related statistics, but more upbeat conclusions.

"It is a good time for American workers," wrote U.S. Secretary of Labor Elaine Chao, in America's Dynamic Workforce 2006. "Job opportunities are increasing, unemployment is low, and compensation is rising."

[Chao, a Harvard MBA and former banker at Citibank, got a 1.9 percent raise to \$183,000 last

year as labor secretary, while her husband, Senate Republican Whip Mitch McConnell of Kentucky got a 1.9 percent raise to \$165,000.]

The Labor Department reported 2 million new jobs created in 2005. Of course, there were also 2.7 million more people by year's end. Fortunately, many of the new Americans are babies, and won't need jobs for a couple decades. [U.S. population is estimated at 299.7 million; it's expected to top 300 million by the end of the year.]

The unemployment rate is low, says the Labor Department — 4.7 percent in August, or 7 million Americans. But that figure is tricky — it's based on a monthly survey that counts only those actively seeking work. Last year, many workers retired, and some stopped looking for work, and so the unemployment rate was said to drop, even though the employment rate dropped as well.

EPI says looking at the employment rate sheds some more light — in mid-2006 it was 1.6 percentage points below its 2000 peak, suggesting that up to 2.4 million more people were missing from the employment rolls.

Poverty Rate Stopped Rising Last Year

There were more people living in poverty, said the Census Bureau — 37 million people — but the poverty rate — 12.6 percent — had remained statistically unchanged from the previous year. That marked the end of four consecutive years of increases in the poverty rate.

Last year, the federal definition of poverty was \$19,971 for a family of four; \$15,577 for a family of three; \$12,755 for two; and \$9,973 for an individual. [In case you ever wondered: The federal government's official definition of poverty was created by the Social Security Administration in 1964, based on a 1955 USDA survey of food consumption that found that families of three or more spent roughly one-third of their income on food. The SSA tripled the cost of the USDA's "Economy Food Plan" to obtain an official poverty threshold, which since then has been modified annually based on the Consumer Price Index. The Consumer Price Index is the change over time in the prices paid by urban consumers for more than 200 categories of goods and serv-

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