***True number is closer to 17 percent***

# Joblessness nationwide worse than stats reveal

While it's no secret that 9 million U.S. jobs have disappeared since the recession began in December 2007, real unemployment is much worse than it might sound judging by official statistics.

Officially, unemployment was 9.7 percent nationwide in January 2010: 14.8 million U.S. workers were counted as unemployed, and 6.3 million of those had been out of work for over six months.

Fairview, Oregon resident John Rabbai has been jobless since his December 2008 layoff at a union-represented industrial laundry. At first, employers would tell him they weren't hiring but would take his application. Now, said the former UNITE HERE shop steward, some won't even accept applications. In February, he learned his benefits would be suspended because Congress hadn't reauthorized extended unemployment benefits.

"I feel like American workers have been abandoned," Rabbai said.

There's much about the extent of unemployment that the official statistic doesn't capture. The most widely-reported unemployment number is generated by a pair of monthly surveys of 60,000 households and 410,000 worksites, conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics (BLS). But only those who weren't working — and had looked for work in the previous four weeks — are counted as "unemployed."

Another 1.7 percent, 2.5 million people, were classified as only "marginally attached to the workforce" because they'd looked for work in the last year, but not in the last four weeks. And 1.1 million of those, 0.7 percent of the workforce, were categorized as "discouraged" workers — "persons not currently looking for work because they believe no jobs are available for them."

Then there are 8.3 million Americans (5.3 percent) in the survey who were working part-time because they couldn't find full-time work.

Add those all up — unemployed, marginally attached, and underemployed — and you get 16.7 percent of the workforce experiencing whole or partial unemployment as of January. And that still doesn't describe the extent of the crisis.

Unemployment is expressed as a percentage of the workforce, but many would-be workers are leaving the workforce. In a bad economy, getting out or staying out of the job market is a rational response. Laid-off workers go back to school, or they take children out of paid day-care and become stay-at-home moms or dads. High school grads remain in their parents' homes. College grads and laid-off young adults move back in with their parents.

And older laid-off workers retire early, if they're eligible. Last year, 2.7 million people applied for Social Security retirement benefits, a surge of 20 percent over the year before. According to a January 2010 report by the Urban Institute, a Washington, D.C.,-based think-tank, the surge was due in part to the inability of many seniors to find work.

High unemployment can turn off the pipeline for new workers entering the trades. Building trades unions can't take in new apprentices if there are no construction jobs on which to train them. Operating Engineers Local 701, based in Gladstone, has been closed to new apprentices for two years, said Assistant Business Manager Nelda Wilson, and half of the union's existing apprentices are unemployed.

At Portland-headquartered International Brotherhood of Electrical Workers (IBEW) Local 48, 700 members are on the out-of-work list, and a couple hundred have been on it over a year. With too little local work on the horizon, Local 48 Business Manager Clif Davis has assigned a staffperson full-time to help members apply for passports and work permits to seek jobs in Canada; 120 members are looking at relocating to Alberta, where oil exploration is fueling a construction boom.

Official unemployment statistics also don't capture the extent of mis-employment, the mismatches that a high-unemployment economy creates. A skilled machinist hires on at Home Depot. An architect takes a bottling job at a distillery. A journeyman carpenter does odd jobs as a handyman. When employment picks back up, those overqualified workers may return to the job markets they left.

Bad job markets cause job-seekers to lower their expectations. Mark Taylor, 39, has been jobless since a January 2009 layoff from Freightliner's Portland truck plant, where he'd worked since 1994. Since the layoff, Taylor has applied for work on a road crew, at the Water Bureau, and elsewhere, but his job search is haunted by the memory of the $22.75-an-hour he earned on the truck assembly line, and he still calls Machinists District Lodge 24 regularly to see if Freightliner might recall any workers.

"It's hard for me personally to accept an $8-an-hour job," Taylor told the Labor Press. "But then I think, 'You have to start over.'"

In December, Taylor got an interview — for a $9-an-hour job at a produce plant in the Rivergate Industrial District. But the interviewer expressed a concern — that he would jump ship if Freightliner offered recall — and Taylor never heard back.

High unemployment affects those who do have jobs, too. Fearing the unemployed are eager to take their place, the employed may be less likely to ask for raises, and more likely agree to wage cuts. And they may stay in jobs they dislike: The incidence of workers quitting jobs declined dramatically in 2009, the Congressional Budget Office reported in February.

Lastly, the official statistic disguises an important fact: Unemployment is spread very unevenly, and the jobless rate can differ dramatically depending on what job market you're in. A February 2010 study by Northeastern University's Center for Labor Market Studies found that a disproportionate share of job losses in the current recession are being borne by men (and black men in particular), by young workers under 30 (and teenagers in particular), by less well educated workers, and by blue collar workers (in crafts, production, transportation, material moving, and general labor). On the other hand, four-year college graduates, professional workers, managers, and government employees have been relatively well protected from job losses.

# *Trumka calls new jobs bill 'a Band-Aid on amputated limb'*

Responding to continued high unemployment, Congress approved the final version of a "jobs" bill March 4.

AFL-CIO President Richard Trumka called it "a Band-Aid on an amputated limb."

Under House Resolution 2847, the Hiring Incentives to Restore Employment (HIRE) Act, the federal government will pay the 6.2 percent employer portion of Social Security payroll taxes through the end of the year — whenever an employer hires someone who has been jobless more than 60 days. [They can't use the new employee to replace an existing employee.] The employer also gets a $1,000 corporate income tax credit on their 2011 tax return if they continue to employ the new hire for 52 weeks. The estimated cost to the federal treasury of the two tax measures is $13 billion over a 10-year period.

The bill also extends the federal surface transportation programs through the end of 2010, and transfers about $19.5 billion to the Highway Trust Fund from the general treasury — interest the fund was owed on gas taxes the government collected. The funds transfer would be enough to maintain highway spending at last year's level.

For advocates of infrastructure spending, the HIRE Act was a sad finale to a bill that, when it passed the House in December, contained $48 billion in new infrastructure spending and $26.7 billion in aid to the states.

Even that earlier version, titled the Jobs for Main Street Act, looked cheap next to the $700 billion bank bailout and the $800 billion stimulus act. [In fact, the Jobs For Main Street Act was supposed to spend unused bailout funds, suggesting that infrastructure jobs would be purchased with crumbs from the bankers' table.]

But the House and Senate passed the bill back and forth, amending it each time. A new tax cut became the crux of the bill, and infrastructure was relegated to an afterthought.

Congressman Kurt Schrader, the only Oregon Democrat to vote against HR 2847's final version, said three-fourths of the business owners he surveyed told him the new tax incentives won't stimulate hiring: Businesses add employees only when there's demand for their goods and services.

"Businesses aren't going to hire new employees just because we give them a small tax cut," Schrader said in a statement explaining his vote.

When Senate Majority Leader Harry Reid (D-Nev.) called the bill a first step, Trumka said he couldn't agree more.

"We need 10 million jobs," Trumka said, "and Wall Street and the rich — who have benefited for years from Bush's economic policies — need to pay to rebuild the economy and middle class they destroyed."

What might a real jobs bill look like? Congress might do well to heed the latest infrastructure "report card" of the American Society of Civil Engineers. America is failing to properly maintain basic infrastructure, the group said, and spent less in 2008 than at any time in over two decades.

"We are still driving on Eisenhower's roads and sending our kids to Roosevelt's schools," the group's president said in February.

According to the report card:

- A third of America's major roads are in poor or mediocre condition, and 45 percent of major urban highways are congested.
- The nation's 85,000 dams average over 50 years old.
- 92 of the 257 locks in use on inland waterways are more than 60 years old, and 30 were built in the 1800s.
- Contaminated sites await cleanup and redevelopment in 188 U.S. cities.
- Aging pipes leak an estimated 7 billion gallons of drinking water a day.

"We are drinking water from pipes built when Teddy Roosevelt was president," said Congressman Earl Blumenauer (D-Ore.), an infrastructure advocate. "My number one priority is to rebuild America," Blumenauer told the Labor Press. "Roads, transit, sewer, rail, cleaning up toxic waste sites … these are labor-intensive projects that could provide family wage jobs in every community."

At the March 5 quarterly meeting of the Oregon AFL-CIO, Secretary-Barbara Byrd said the AFL-CIO — and some congressmen — are advocating a stock transaction tax. A tax of just 0.25 percent on each stock trade could raise $150 billion, Byrd said, with half going to rebuild the country's infrastructure and half used to drive down the national deficit.

"It would put one out of every three unemployed workers back to work," Byrd said.

Since the recession started, Oregon has lost 148,600 jobs — 9 percent of payroll employment. The unemployment rate stands at 10.7 percent and underemployment is at nearly 21 percent.

To get back to a more normal 5 percent unemployment, the United States would have to create 583,000 jobs every month (accounting for population growth) for the next two years to fill the gap.

"We're not even close to doing that," Byrd said.

Byrd said that Congress must include Buy American provisions in any new stimulus funding and renewable energy subsidies it creates, and it must pass the Trade Reform, Accountability, Development and Employment (TRADE) Act, which would create a new U.S. trade agreement model that benefits America's workers.