



PAMCANI

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Bi-WEEKLY PUBLICATION
**News
DROPS** \$
News updates on our industry, our economy, our recovery

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Update: Federal Stimulus Package—More than \$780 billion later, the final version of the **American Recovery and Reinvestment Act (ARRA)** isn't perfect, but passing it was absolutely necessary. President Barack Obama signed the bill into law Feb.17. The \$787 billion economic stimulus plan includes \$288 billion in tax relief and \$499 billion in spending that is expected to save or create 3.5 million jobs (this includes approximately 148,000 jobs in Illinois as estimated by Obama administration economists). Infrastructure construction makes up a large part of the bill's spending provisions, including \$48 billion for transportation projects. The White House introduced a website, www.recovery.gov, dedicated entirely to the 1,100-page ARRA. The website features links to the full text of the act, as well as breakdowns and explanations.

Follow the Illinois Stimulus \$\$ Online—Illinois Gov. Pat Quinn has launched www.Recovery.Illinois.gov, a website created to help the state quickly share information about how Illinois is using its share of the \$787 billion federal stimulus package. The site will keep track of projects, spending, and job creation. In addition, www.Recovery.Illinois.gov includes details about the ARRA, as well as a "Suggest a Project" section that allows state residents to submit projects/proposals that may be eligible for federal stimulus funds.

Unions: Can They Help the Economy?—According to a report titled "Unions Are Good for the American Economy" released by the Center for American Progress Action Fund, unions would significantly help every American during the economic crisis. The report shows that unions help workers achieve higher wages: workers in unions earn 30% higher salaries, taking home about \$863 a week compared to \$663 for the typical non-union worker. Union workers are also 59% more likely to have employer-provided health insurance. "Boosting unionization rates will improve millions of Americans' economic standing, it will provide families who have union jobs to pass to the middle class, and it will pump billions of dollars into the economy ever year," said Karla Walter, Policy Analyst with the American Worker Project at American Progress. (<http://talkradionews.com>)

Fewer Employees to Get Raises this Year—About 25% of companies who participated in a survey by consulting firm Mercer have decided to freeze their employees' pay, and another 20% are considering a salary freeze this year, according to the survey released in early February. A year ago, just 5% of companies planned to put off raises for their staff. The companies that plan on offering raises to their employees will give smaller-than-expected pay increases, Mercer said. The average expected salary increase at those businesses was just 3.2%, down from a planned 3.6%. (CNNMoney.com, Feb.9, 2009)

Union Productivity Proven Over and Over Again—Studies from the past 30 years in the manufacturing, construction, and cement industries have consistently shown that union workers can almost guarantee an improved rate of productivity—in fact, up to 38 percent more productive. Experts believe this is because unions have strong systems in place that allow them to negotiate workers' rights and workplace conditions that affect improved productivity. (*Scientific American*)

Unions, Contractors Talking About Lowering Labor Costs in New York City—Construction unions and contractors in New York City are continuing discussions that began in November 2008 about a package labor cost savings. Faced with at least \$5 billion worth of cancelled or stalled projects, New York City contractors are seeking a 25% reduction in labor costs to try to minimize further damage to the industry and its employment base. Discussions are centered on a citywide project labor management concept aimed at offering lower project costs while preserving jobs. The goal is to combine cost savings in areas such as profits, materials and supplies, and supervisor staffing with a 25% reduction in labor costs (which usually account for half of the overall costs) to achieve a total 25% cut in overall project costs. The day-to-day discussions are close to agreement on some standard industry-wide provisions, but more talks are needed to fill out the package with trade-by-trade changes in work rules and other provisions. These talks involve 28 contractor organizations and about 50 local unions with collective bargaining agreements. (Construction Labor Report, Jan. 14, 2009)

Thriving During the Recession—Here are a few things you can do to get through these tough times: **Spend smarter; Grow your Savings; Get out of debt; Reinvigorate your career; Rethink big life events; Look for the silver lining.** (*U.S. News & World Report*)

In Their Own Words—"I believe we have to reverse many of the policies toward organized labor that we have seen over the past eight years...I do not view the labor movement as part of the problem. To me, it is part of the solution. You cannot have a strong middle class without a strong labor movement." (President Barack Obama, January 30, 2009)