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PLUMBING AND MECHANICAL CONTRACTORS AUTHORITY OF NORTHERN ILLINOIS
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Bi-WEEKLY PUBLICATION
**News
DROPS** \$
News updates on our industry, our economy, our recovery

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Chicago High-Speed Rail Project Could Get Money from Stimulus—The federal Stimulus Package recently signed into law included \$8 billion for high-speed rail projects. The Midwest initiative, connecting Chicago and 11 metropolitan areas within 400 miles, is in an excellent position to receive a good amount of that money, according to Howard Learner, president of Chicago-based Environmental Law and Policy Center. Learner says that the Federal Railroad Administration has recognized the Midwest Initiative as the system most ready to go. For more information, visit the Midwest High Speed Rail Association at www.midwesthsr.org.

A Secretary for Labor—Hilda Solis was confirmed as secretary of labor February 24. Prior to confirmation as Secretary of Labor, Secretary Solis represented the 32nd Congressional District, a position she held from 2001–2009. In Congress, Solis' priorities included expanding access to affordable health care, protecting the environment, and improving the lives of working families. A recognized leader on clean energy jobs, she authored the Green Jobs Act, which provided funding for "green" collar job training. As secretary of labor, Solis will be responsible for ensuring that workers have safe jobs, freedom from employment discrimination, unemployment insurance, enforcement of minimum wage laws, and much more.

Unions Don't Hurt International Competitiveness—A new snapshot study from the Economic Policy Institute (EPI) discredits the myth that unions have a negative effect on a nation's ability to compete in a global economy. EPI recently examined the relationship between *union coverage rates* (the share of a nation's workers covered by a union contract) and the *current account balance* (an indicator that captures the amount by which a country's exports exceed its imports) in major industrialized nations. The numbers show that many nations with higher levels of union membership than the United States, such as Canada, Germany and Denmark, have very strong export sectors and a positive trade balance. In other words, there is nothing about highly unionized economies that suggests they cannot be internationally competitive. (EPI, Feb.25, 2009)

Strong Unions are Compatible with Strong Economies—The Heritage Foundation recently released its annual ranking of the economic climate of the world's nations. Interestingly, the figures show that many of the most economically strong countries have very high rates of union membership. For example, Hong Kong's economy is considered the strongest, and has 22.1% unionization; the U.S. economy is considered the 6th strongest, and has 12% union density. (<http://blog.aflcio.org>, Jan. 15)

Chicago is Greener Than You'd Think—The U.S. Environmental Protection Agency released a new list of America's "greenest" cities: Chicago is No. 6. The list includes the cities that have the highest number of energy-efficient commercial buildings. There are 6,205 buildings nationwide that use 35% less energy and emit 35% less heat-trapping "greenhouse" gases than average buildings. Last year, these buildings saved more than \$1.1 billion in energy costs. Chicago recorded an annual energy cost savings of \$42 million. (*Chicago Sun-Times*, March 5, 2009)

How Long Will a Job-Market Recovery Take?—The U.S. economy has lost nearly 2 million jobs since December 2007, and the unemployment rate is currently around 7.6%. And unfortunately, full job-market recovery may take much longer than previous recoveries. Forecasts of future unemployment rates vary, but a look at past recessions suggests future unemployment rates of 8 to 9% (or higher). Evidence from the last two recessions suggests that employment levels would not fully recover until mid-2010 or after. Both the 1990-91 and 2001 recessions lasted only eight months according to the National Bureau of Economic Research, but it took the labor market 11 months and 32 months, respectively, to finally hit bottom. It took 30 months and 48 months, respectively, to regain the total number of jobs that

existed prior to the downturn. The federal stimulus package may help reduce the size of the recession and the speed of the recovery. (EPI, Jan.7, 2009)

The Economic Cycle—When the economy is strong, most people are employed and making money. There is then a greater demand for goods such as food, electronics, and vehicles. This increases so much that the supply cannot keep up with the demand, creating a rise in prices, or inflation. As prices go up, salaries increase. The rise in companies' employment costs translates into increased prices for most items. When the prices for goods and services are too high, consumers cut back on or stop buying altogether. When the demand decreases, prices decline and companies lay off workers, which means the economy is in a recession. Companies further lower prices in an effort to prompt demand. As demand picks up, people begin buying again, creating the need for greater supply. And the cycle starts again. (<http://pastrecessions.com>)

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