



PAMCANI

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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Unemployment Rate Jumps—The government reported May 8 that while the national unemployment rate increased from 8.5% to 8.9% in April, employers shed fewer jobs than expected. Companies cut 539,000 jobs last month instead of the 620,000 analysts were projecting. Since the start of the recession in December 2007, the U.S. economy has lost 5.7 million jobs, the Labor Department said. While the recession has taken a toll on both genders, male-dominated industries such as construction and financial services have taken a greater hit than more female-driven professions in areas such as healthcare and education. Between April 2007 and last month, the unemployment rate for men age 16 and older more than doubled to 10%; among women, the unemployment rate also increased, but less dramatically—from 4.4% to 7.6%. Among sectors hit hardest by the housing-led recession, construction shed 110,000 jobs in April, after losing 135,000 the previous month. Despite the slowdown in the pace of job losses, the unemployment rate will continue to rise until at least the first quarter of 2010, peaking anywhere between 9.5 and 10.5%, according to economists. The length of the average work week was unchanged at 33.2 hours in April. Average hourly earnings edged up to \$18.51 from \$18.50 in March, which analysts said was a reminder that incomes remained under pressure. (Reuters, May 8, 2009)

Laid-Off Workers Settling for Lower Pay—Of those out of work in the last 12 months who managed to find new jobs, 49% accepted positions that paid less, according to a survey released in April by CareerBuilder. Also among the findings: 41% of workers laid off in the last 3 months from full-time jobs said they found a new full-time permanent position, while 8% found part-time work. Of workers laid off during that period, only 32% received a severance package from their employers. Of those that did receive a severance package, one in four said the money sustained them for less than one month, while 69% said it sustained them for 2 months or less. About 45% of laid off workers had to tap into their long-term savings to make ends meet. (*Chicago Sun-Times*, April 9, 2009)

Record Number of Foreclosure Filings—Foreclosures in April exceeded even March's pace with a record 342,000 homes receiving notices of default, auction notices, or undergoing bank repossessions, according to an industry report. One of every 374 U.S. homes received a filing during the month, the highest monthly rate that RealtyTrac, an online marketer of foreclosed properties, has recorded in four-plus years of record keeping. Filings in April increased 1% from March and rose 32% compared to April 2008. There were 63,900 bank repossessions, the last stop in the foreclosure process. More than 1.3 million homes have now been lost to foreclosure since the market decline began in August 2007. Ten states accounted for 75% of all foreclosure activity; Illinois ranked 8th highest with 384 households per foreclosure. Bank repossessions actually fell 11% for the month, compared with March. That's due, according to experts, to the many legislative and company moratoriums that have prevented the foreclosure process from starting on delinquent loans. Because fewer loans entered the process in past months, there were fewer getting all the way to repossession. But now that those moratoriums are over, the volume of foreclosure filings is increasing. (CNNMoney.com, May 13, 2009)

Union Group Part of Lawsuit Over Home Prices— Alliance for Home Buyer Justice (AHBJ), a union trying to organize construction workers, recently helped put together a lawsuit accusing KB Home and Countrywide Financial of inflating home values and appraisals in Nevada and Arizona. The plaintiffs in the suit, which was filed in Arizona, are members of the AHBJ, which was created by the Laborers' International Union of North America. Hagens Berman Sobol Shapiro LLP, the law firm for AHBJ, said it filed the suit in U.S. District Court in Arizona seeking class-action status against KB Home, Countrywide Financial, and LandSafe Appraisal Services, claiming the three conspired to illegally rig home appraisals in KB developments in an effort to boost home values and sales prices. The suit claims KB and the other defendants inflated home prices by as much as \$280 million in Arizona and Nevada during a three-year period beginning in 2005. KB Home and Bank of America, which now owns Countrywide, have denied the allegations. The Laborers' Union spokeswoman said the lawsuit was not part of a union organizing campaign, but that in the future, as the economy improves, the union would like to represent workers who build houses. The Laborers' Union's campaign

targeting homebuilders says on its website: "Nearly 1 million working men and women labor each day building America's houses. At the hands of corporate homebuilders, they face unsafe working conditions, substandard pay and exploitation. Denied the most basic dignity and rights, LIUNA is helping residential construction workers unite for better lives. Working with homebuyers and community, civic and faith groups, those who build America's houses will win living wages, safer job sites and quality construction skills – and homebuyers will know they are making a life investment in a home, not just a house that denies the American Dream to others." (*Las Vegas Sun*, May 9, 2009)

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