



# PAMCANI

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

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**Higher Minimum Wage Helps Stimulate the Economy**—Increases in the minimum wage provide financial relief directly to minimum wage workers and their families. By increasing families' take-home pay, workers gain both financial security and an increased ability to purchase goods and services, thus creating jobs for other Americans. The good news is that a three-step federal minimum wage increase was passed by Congress in 2007. The first step took place in July of 2007, with a year between each step. The total impact of each increase was estimated using results from a study by economists at the Federal Reserve Bank of Chicago. The first two increases in July 2007 (\$5.85/hour) and July 2008 (\$6.55/hour) will have generated an estimated \$4.9 billion of spending by July 2009. The final increase in July 2009 (\$7.25/hour) is expected to generate another \$5.5 billion over the following year. Research also shows that if the minimum wage were increased to \$9.50 in 2011 (through a two-step increase, first to \$8.25, then to \$9.50 a year later), as President Obama promised during the election, an estimated \$60 billion of additional spending would be generated over two years. (Economic Policy Institute, May 27, 2009)

**Bargain Your Way to a Bargain**—"In this recession, everything is negotiable." (Ylan Mui, *Washington Post*) At the end of the day, you have control over how and where you spend your money—and retailers realize that. A recent survey by Consumer Reports found that 66% of Americans have tried to negotiate for a better deal in the past six months. Those who haggled had the best luck with hotel rates (83% successful), cell phone bills (81%) and clothing (81%). Here are some of Consumer Reports' tips for successful haggling: **Be patient and be nice...** Demanding a discount rarely works. **Time your haggle...** Late in the month, salespeople are trying to meet their quotas, so it can be a good time to bargain for big-ticket items. Evening or early hours are usually less busy, so clerks have time to talk. **Avoid an audience...** Haggle out of earshot of other customers. Sales clerks don't want everyone else in the store asking for a deal too. **Know before you go...** Research prices and store policies. Bring web printouts, flyers, and newspaper ads with you. Mention if a local competitor is selling the item for less. The store might be willing to match your best quote. If you can't get a price discount, ask for free shipping, delivery, or installation. **Be prepared to walk...** The most persuasive weapon you have in your haggling arsenal is your ability to walk away and spend your money someplace else. (*Washington Post*, May 21, 2009)

**More Funding For Workplace Safety Enforcement**—In a detailed proposal announced May 7, the Department of Labor asked Congress for \$1.7 billion in funding for programs designed to ensure that employees are kept safe on the job and are paid all the wages and benefits they are due. The request represents a 10% increase over the previous fiscal year. Congress is likely to approve the budget. The Occupational Safety and Health Administration (OSHA) would receive a \$51 million increase in funding and hire 160 new officers. The Wage and Hour Division would get a \$35 million budget increase and add 200 investigators. Overall, 670 people would be added to the enforcement staff, which Labor Secretary Hilda Solis said will bring it to a level it has not reached since 2001. "This is an unprecedented achievement and carries out the President's commitment to workers' safety, health, and protection on the job," Solis said. An AFL-CIO study indicates that the average penalty for a serious OSHA infraction is less than \$1,000; for a violation involving a worker's death, it's \$11,300. In 2007, 5,657 workers died and more than 4 million were injured on the job. OSHA figures show that since 2001, deaths have declined 14% and injuries and illness rates have fallen 21%. (Workforce.com, May 2009)

**Workers Cancel Raises to Help Massachusetts' Budget**—Four unions representing 500 workers at the Massachusetts Bay Transportation Authority (MBTA), the International Federation of Professional and Technical Engineers (IFPTE), the Office and Professional Employees (OPEIU), the Electrical Workers (IBEW), and the Boilermakers (IBB), agreed to cancel raises set to take effect this summer to help close an estimated \$160 million budget deficit. The largest MBTA union, the Boston Carmen's Union/ATU, represents 3,200 workers and has not yet reached agreement. (<http://blog.aflcio.org>, May 26, 2009)

**On the Upside**—ComEd estimates the average residential bill will drop about 7.5% beginning in June. And while the average cost of unleaded regular gasoline in the Chicago area rose about 47 cents a gallon in the past month to \$2.66 a gallon, that's still \$1.43 less than a year ago, and \$1.68 less than the peak price of \$4.34 reached last July. (*Chicago Sun-Times*, May 24, 2009)

**In This Recession, What Have You Learned About Managing People?** "Patience and tolerance... You are better helping people become more familiar with their strengths than focusing on their weaknesses." Ari Kiev, author, consultant, and psychiatrist. (*Workforce Management*, April 20, 2009)

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