



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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Employment Numbers—The number of unemployed persons increased by 787,000 to 14.5 million in May, and the unemployment rate rose to 9.4 percent. Steep job losses continued in manufacturing, while the rate of decline moderated in several industries, including construction, professional and business services, and retail trade. More specifically, employment in construction decreased by 59,000 in May, compared with an average monthly job loss of 117,000 in the industry for the previous 6 months. In May, employment fell in nonresidential specialty trade contractors (-30,000) and in residential construction of buildings (-11,000). Since the start of the recession in December 2007, the number of unemployed persons has risen by 7.0 million, and the unemployment rate has grown by 4.5 percent-age points. The number of long-term unemployed (those jobless for 27 weeks or more) increased by 268,000 over the month to 3.9 million and has tripled since the start of the recession. (U.S. Bureau of Labor Statistics, June 5, 2009)

Consumer Confidence on the Rise—The most recent Consumer Confidence survey (based on a representative sample of 5,000 U.S. households) showed a marked improvement in consumers' outlook for jobs. The percentage of consumers expecting more jobs in the months ahead increased to 20% from 14.2%, while those anticipating fewer jobs declined to 25.2% from 32.5%. Consumers anticipating an increase in their incomes edged up to 10.2% from 8.3%. (AP, May 26, 2009)

Social Security Situation—Severe U.S. recession has sharply reduced the flow of funds to Social Security and Medicare, tied to declining payroll taxes resulting from the loss of 5.7 million jobs during the past 18 months. According to the Social Security and Medicare Trustees in a report issued on May 12, 2009, Social Security is now expected to stop running modest surpluses in seven years, one year earlier than previously estimated. In addition, the Social Security Trust Fund is expected to run dry by 2037, four years faster than last year's projection. Similar changes have occurred with Medicare's funding as well. Social Security tax revenues of the past 30 years have provided excess funds to be used by the Congress for hundreds of other programs. Contrary to the belief of many, excess Social Security funds are not "saved" for the future, but are aggressively spent and replaced with government IOUs, known as non-marketable U.S. Treasury Notes. The current Social Security Trust Fund has roughly \$2.4 trillion in such Treasury Notes in it, to be "cashed in" when the annual surplus concludes, tied to the impending retirement of 78 million Baby Boomers. To redeem Trust Fund notes, the Government will have to raise funds (borrow) in the public debt markets or increase taxes. (www.thredgold.com, May 27, 2009)

Businesses Boost Morale—In the face of economic turmoil, companies are taking steps to bolster employee morale and combat the financial gloom. A recent Accountemps national survey found that 68% of chief financial officers were implementing strategies to improve the mood of their employees, a critical component to a company's success. The survey also found that 37% of businesses have turned to more frequent and sincere conversations to ease concerns and uncertainty—the number one method to uplift employee spirits. Some business leaders making available professional development opportunities (motivational/educational seminars and workshops) as a way to keep morale high. Additional team-building and employee recognition programs are other methods businesses are using more and more to increase workplace spirits. (SouthtownStar, April 12, 2009)

Will the Recession Make Workers Healthier?—Is it possible that Americans—battered by years of consumption—are altering their health habits in the wake of the Great Recession? A recent survey by the National Business Group of 1,500 workers, ages 22 to 69, found a majority said that a healthy lifestyle is more important now than it was a year ago. A full third say they are exercising more, and nearly half are eating healthier. (Similarly, 44% say they are eating fast-food less often). Survey answers that indicate workers are more concerned about health care costs—even foregoing prescription drugs or treatments to save money on copays—may be relevant. If you're skipping the doctor's office, you may be trying to compensate by making healthier lifestyle choices. (U.S. News & World Report, May 28, 2009)

Did You Know?—Union workers earn more on average than their non-union counterparts (In Illinois, union workers make 10.10% or \$2.05 per hour more than non-union workers), are nearly 54% more likely to have employer-provided pensions, and are 28% more likely to be covered by employer-provided health insurance. Nearly 3 out of 5 respondents from a Peter Hart Research Associates poll report that they would join a union if they could.
(www.americanprogressaction.org)

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