

Upcoming Events

- MI AFL-CIO Health & Safety Conference, Lansing, April 6-8
- Community Services School, April 18-23
- MI Labor Press Conference, Houghton Lake, April 22-25

Michigan State AFL-CIO
419 S. Washington Sq.
Lansing, MI 48933

Phone: 517-487-5966
Fax: 517-487-5213
miaflcio@miaflcio.org

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**10 million workers in
America are jobless**

**Michigan State
AFL-CIO UPDATE**



►► The Economy for Michigan's Working Families

The dawn of year 2004 ends the third year of the Bush Administration and the beginning of a Presidential election year. It is a time to take stock of where working families in Michigan stand with regard to their jobs, their incomes, and their overall well-being.

The record shows a very mixed economic recovery from the recession that began in 2001. There are pockets of poverty and hopelessness in the state and groups such as the elderly and minorities--many of whom are not sharing in the American dream of prosperity--who are losing hope. As the facts and figures below show, thousands in Michigan have lost their jobs and incomes, are unemployed, lack health coverage, and have declared bankruptcy and live in poverty.

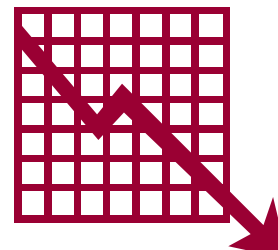
A new economic deal is needed to revitalize Michigan's and the nation's economy and to distribute the benefits of our society more widely and fairly.

Michigan's Economic Record			
Unemployment Rate January 2001-December 2003	↑	2.6%	Up from 4.6% to 7.2% 365,450 Michigan workers were unemployed in December.
Jobs Changes in number of jobs, January 2001-November 2003	↓	1.0%	Down by 202,500 jobs; and 264,700 jobs short of the number of jobs needed to keep up with population growth.
Manufacturing jobs January 2001-November 2003	↓	14.4%	Down by 121,400 jobs from 843,056 jobs.
Poverty Change in poverty rate, 2000-2002	↑	1.7%	Up 1.7 percentage points, from 9.9% to 11.6%, an increase of 185,000 persons.
Health care Change in share of residents without health coverage, 2000-2002	↑	1.8%	Up by 1.8 percentage points, an increase of 176,000 persons.
Household Income Change in median household income, 2000-2002	↓	5.2%	Down 5.2% or \$2,406, to \$44,239.
Personal Bankruptcies Change in filings, 2000-2002	↑	52.9	Up 52.9% to 54,805 filings.
Sources: Economic Policy Institute; U.S. Bureau of Labor Statistics; American Bankruptcy Institute; U.S. Census Bureau.			

►► Where are the Jobs?

Last May, the Bush administration sold Congress its "Jobs and Growth" millionaire tax cut as the key to job creation. But in December, when approximately 15 million U.S. workers were unemployed, underemployed or too discouraged to job hunt, new job creation was only 1,000 for the whole country. The nation also continued to hemorrhage good manufacturing jobs for the 41st straight month. Since Bush took office, the nation has lost a **NET** 2.9 million private-sector jobs including 2.6 million family-supportive manufacturing jobs. This is the largest job loss since President Hoover was in office.

A record-high 375,000 jobless workers will exhaust their unemployment insurance this month and an estimated 2 million workers will find themselves in the same predicament during the first half of the year, according to Labor Department statistics. In Michigan, the average number of weeks individuals remained out of work was 20 weeks last year, up dramatically from 15 weeks in 2002.



►► Legislative Update

Senate Launches Attack on MIOSHA

The Senate Commerce and Labor Committee is considering SB 647, introduced by Senator Bruce Patterson (R-Canton), that would make it very difficult for MIOSHA to cite employers for willful violations of MIOSHA safety standards. This bill would also make it difficult for MIOSHA field inspectors to conduct worksite interviews.

This bill is being promoted by businesses that have received willful MIOSHA violations and are now afraid that they will be debarred from doing business with the state. This is because Governor Granholm issued an executive order last year that bans bad corporate actors, including those with a willful MIOSHA violation, from doing business with the state for up to 8 years. Please call the members of the Commerce and Labor Committee and your local state senator and ask them to oppose SB 647.

**At the
Capitol**

Administration to Look into Employer Unemployment Tax Fraud

The Granholm administration is looking into stopping a form of employer fraud call SUTA dumping. SUTA stands for State Unemployment Tax Act. Our unemployment tax system is experience based.

This means that companies who lay people off on a regular basis will pay more in unemployment taxes than a company that never lays off workers.

Some companies try to lower their unemployment tax by creating a new shell company. This new company receives a much lower unemployment tax rate since there is no employment history. The old company then transfers their employees to this new company in order to cut their tax bill. This type of scheme raises the unemployment taxes for all businesses since those who are laying off workers are not paying their fair share.

By ending this employer abuse of the unemployment system, the state could bring in between \$50 and \$100 million in unemployment taxes. This could be used to offset an increase in unemployment benefits for laid off workers. We will keep you informed as these discussions continue.

►► Electrolux to Close Greenville Plant

Electrolux announced on January 16th its decision to close their Greenville, Michigan refrigerator plant in 2005 and eliminate the jobs of 2,700 workers. The plant produces 1.6 million refrigerators annually and all but 150 of the factory's employees are represented by unions. The plant is Montcalm County's largest employer and its closing will devastate the town of Greenville with a population of only 8,000. Refrigerators have been made there since the late 19th century, when they were manufactured from wood and called ice boxes. Most of the work will move to a new plant to be built in Mexico.

A task force of local, state and federal officials was assembled last October and in January they presented the company with a package of incentives worth \$42.8 million per year. The UAW offered to make changes to their labor agreement that would have saved an additional \$31.6 million each year. The incentives and labor concessions offered to Electrolux totaled \$74.4 million annually -- \$7 million less than the amount the company said it could save by closing the factory. Electrolux wasn't interested, they wanted to go to Mexico.

The Working Families National Bus Tour Will Stop In Greenville on March 28th



The AFL-CIO, with Working America, is planning a bus tour that will feature 51 unemployed and underemployed people – one representative from every state and the District of Columbia – who will travel to eight states and 14 cities to tell their stories about the true state of the economy.

From March 24th - March 31st the bus tour will hit the road to educate policy makers, the media and the general public about the effects that joblessness, as well as low-wage, no-benefit work, has on workers, their families and their communities. The whirlwind trip will culminate in a major event in Washington, D.C. on March 31st, taking our message straight to the White House.

The bus tour will make a stop in Greenville on March 28th to publicize the plight of the Electrolux employees. Please join the bus at Greenville High School at 10:00am for a pancake breakfast and rally supporting the workers.

These are the faces of the jobs crisis. These are the stories that the economic numbers don't tell. These are the stories that must be told.