

Worker Economics

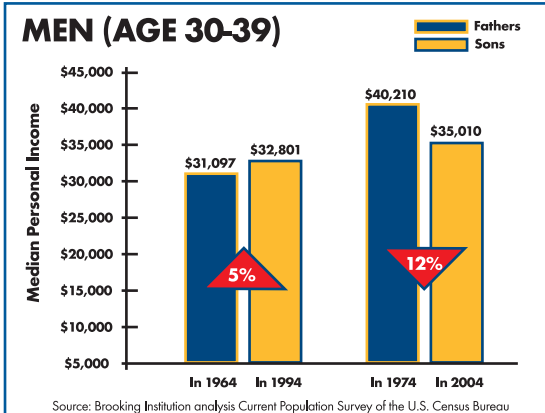
Men in 30s Earn Less than Their Fathers Did

For generations, America was a place where children ended up better off economically than their parents. That long positive trend now appears to be over.

Men in their 30s today earn less than their fathers did at the same age when pay is adjusted for inflation. In 1974, the U.S. median income for men in their 30s stood at \$40,210 in today's inflation-adjusted dollars. In 2004, median pay stood at \$35,010.

The decline in men's earnings breaks a long U.S. history of rising earnings from generation to generation. It also comes despite growth in both productivity and gross domestic product.

It's true that families headed by people in their 30s are living better than they once did. But that's because more women are working. Even so, the improvement in family income has been modest: \$53,280 in 2004 versus \$49,503 three decades earlier.



China Talks Skip Workers' Rights, Focus on Big Business Concerns

The Bush administration recently held two days of trade talks with China in Washington, D.C. Unlike the past few discussions, U.S. Treasury Secretary Henry Paulson and others in the Bush camp didn't need to travel to China to achieve next to nothing. They did that without leaving home.

The Strategic Economic Dialogue with the Chinese once again produced lots of talk and no action on currency manipulation and workers' rights.

The talks instead focused on issues of concern to Big Business, such as protecting intellectual property rights, rather than the job concerns of ordinary citizens.

Continental's U.S. Failures Blamed on Mismanagement

Major management blunders at Continental Tire in North America have cost shareholders hundreds of millions of dollars, a new USW report concludes. The report, "20 Years Asleep at the Wheel; Continental Tire's Failure in North America," uses information made public as part of a recent lawsuit to show that these management errors have cost shareholders as much as \$1.2 billion over five years.

The report shows that Continental's failures in the North American market are the result of a failed management strategy, not labor costs.

The report reviews critical management errors including an overemphasis on the original equipment market, failure to develop an effective tire dealer network, a failed sourcing and supply strategy and an ineffective marketing strategy.

Continental has stopped building tires in USW-represented factories in North Carolina and Kentucky, harming 2,500 workers and their families.

The report is available online at www.SolidarityAtConti.org.

USW Commends Anti-dumping Tariffs for Paper Imports

The U.S. Department of Commerce has agreed to place anti-dumping duties of up to 99.65 percent on coated free sheet paper from China.

International President Leo W. Gerard said he was pleased that Commerce rejected calls from the Chinese government to grant special treatment to its dumped and subsidized exports.

On March 30, Commerce — for the first time ever — reversed a decades-old policy and decided that countervailing duty law could be applied to non-market economies. That led to preliminary duties on glossy paper imports from China.

The USW is a party to the anti-subsidy trade case with NewPage Corp., where the union represents nearly 4,000 production workers at plants in Escanaba, Mich., Luke, Md., Rumford, Maine and Wickliffe, Ky.

A final determination in the anti-dumping and countervailing duty cases is due in August. The USW is continuing to participate actively in the countervailing duty investigation on glossy paper imports from China.

China Surpasses U.S. as Exporter

China surpassed the United States as the world's second-largest exporter in the middle of last year and is pulling further and further ahead, according to figures released by the World Trade Organization.

Export growth from China boomed 27 percent last year, outpacing all other major trading nations, the WTO said in releasing global trade statistics for 2006.

While China finished behind Germany and the United States in total exports for the full year, it overtook the U.S. in the last six months of 2006 and will almost certainly finish ahead in 2007.

VEBA Helps Steel Retirees with Medicare Premiums

As many as 60,000 USW-represented retirees and spouses will be eligible to receive an additional \$300 cash payment later this year to help offset the cost of monthly Medicare Part B premiums.

Eligible beneficiaries include retirees, spouses and surviving spouses who lost health care coverage as a result of the bankruptcies of Bethlehem Steel, LTV Steel, Georgetown Steel and Acme Metal Products.

The payments will be made from surplus contributions to an innovative trust fund, the Mittal Steel USA Voluntary Employees' Beneficiary Association (VEBA). The VEBA was established in 2002 through negotiations between the USW and International Steel Group, which has since been acquired by Mittal Steel USA.

The benefit payment will be equal to \$25 for each month in which a Part B premium was paid by an eligible beneficiary in the 12-month period ending June, 2007.

Eligible beneficiaries will receive applications in the mail. Completed applications must be postmarked no later than August 31. The deadline will not be extended.

Questions regarding the eligibility rules and the application process should be directed to the VEBA by calling 1(877) 474-8322.

Paid Sick Days Becoming Scarce

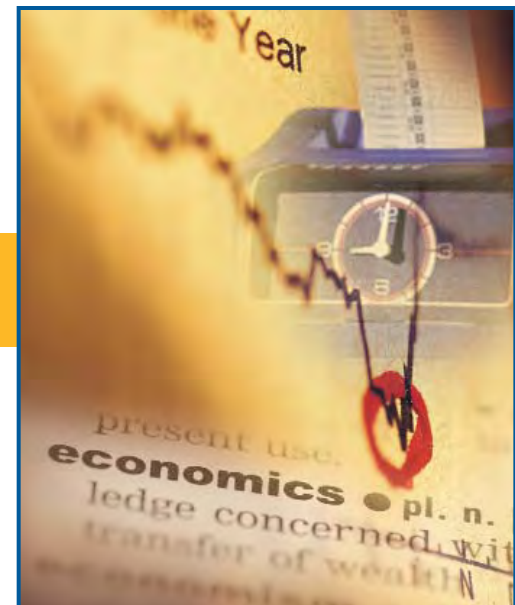
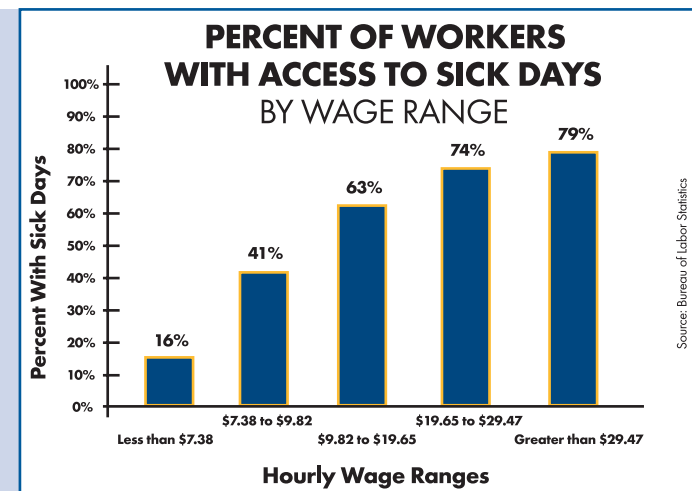
It may be time for the United States to join the rest of the world and legislatively guarantee paid sick leave for its work force.

Only 57 percent of all private-industry workers in the United States have access to paid sick leave, according to the Economic Policy Institute, a Washington-based think tank.

The remaining 43 percent of private industry workers have no paid sick days. When they get sick, they are either forced to go to work or to stay home without pay and risk losing their job.

Workers making less than \$7.38 an hour are five times less likely to have sick days than workers at the top of the scale, those making \$29.47 an hour or above. (See chart.)

Most European workers are guaranteed at least 20 days of vacation, and some also receive up to 13 paid holidays, according to the Center for Economic and Policy Research.



Circuit City Target of Protests

"Good worker? You're fired. Cheap worker? You're hired," protesters from the United Steelworkers and other labor groups chanted outside a Circuit City store in Bangor, Maine.

The protest was held in response to Circuit City's March 28 decision to terminate 3,400 of its highest-paid employees nationwide because they were paid above market rates.

In June, Circuit City said it would cut 850 U.S. jobs on top of the 3,400 eliminated in March.



IRS Audits Up

The Internal Revenue Service is more likely than ever to audit middle-class Americans, and those caught cheating can expect to pay.

Since 2000, IRS authorities have nearly tripled audits of tax returns filed by people making \$25,000 to \$100,000 as part of a broad change in audit strategy.

Audits of these middle-class taxpayers rose to nearly 436,000 last year, up from about 147,000 returns in 2000. The odds of being audited rose from 1 in 377 to 1 in 140.