

REGIONAL LABOR REVIEW

VOLUME 1

FALL 1998

Preview

The Current Job Outlook

by Gregory DeFreitas and Lonnie Stevans

The High Rate of Multiple Jobholding: Overworked and Underpaid?

by Lonnie Stevans

Organizing the Underground Immigrant Labor Force: An Interview with Jennifer Gordon of The Workplace Project

by Sharryn Kasmir

Long Island's Ailing Health Care Benefits

by Niev Duffy

Long Island Labor: Constraints, Opportunities and New Strategies

by Marc Silver

Book Review: *Still the Promised City? African Americans and New Immigrants In Post-Industrial New York.* By Roger Waldinger.

reviewed by Gregory DeFreitas

Key Labor Market Indicators

Internet Resources

Calendar

Preview

Recent months have brought much positive news on the job front, but many contradictory developments as well. As the economy reached the mid-year mark in June, the U.S. Labor Department reported that the nation's unemployment rate had stayed at or below 5 percent for 15 consecutive months. Yet, contrary to many economists' predictions, consumer price inflation has so far shown no tendency to rise and remains at half the average inflation rate of the 1980s. The welcome tandem of low unemployment-low inflation moved Alan Greenspan, head of the Federal Reserve, to a rare celebratory pronouncement on June 10 that: "The current economic performance, with its combination of strong growth and low inflation, is as impressive as any I have witnessed in my near half-century of daily observation of the American economy."

However, for the average working person, more job growth has not yet translated into more wage growth. The wage (after adjustment for inflation) of the typical worker began to rise slowly after 1996, but it is still lower in 1998 than in 1989, the last pre-recession peak.ⁱ Since CEOs and others at the high-salary extreme have enjoyed skyrocketing earnings over this same period, economic inequality has continued to worsen. Moreover, new research has just begun to indicate that health insurance and other job benefits have actually declined for lower-wage workers during the 1990s, making disparities in total compensation even wider than those in wages alone.ⁱⁱ

Trends such as these, based on statistical averages for the nation as a whole, are difficult to interpret for a country as vast and diverse as the United States. Starting with this first issue, the *Regional Labor Review* will aim to provide clearly written, up-to-date information and analysis on important labor issues in the nation's largest metropolitan region, centered in New York City and Long Island. As the engines of recent growth locally, the five boroughs, Nassau and Suffolk counties today account for over 70 percent of all jobs in the New York-New Jersey metro region, and for 57 percent of all jobs in New York State.

This seems to us to be a particularly timely moment in which to launch a publication focused on this area. The 1990s have seen New York City and Long Island enter a turbulent new phase of economic transition and dramatic demographic changes. The city fell into recession well ahead of the rest of the country in 1989 and has still not fully recovered the jobs lost. By far the most dynamic source of income growth has been Wall Street, on whose unpredictable fortunes the economy depends as never before. The

post-Cold War demise of Long Island's large defense industry, led by Grumman and Republic, has resulted in a more fractured economy of innumerable small service, retail, and high-tech employers. While the official unemployment rate has been cut in half since 1992 and consumer income levels are above-average, this has only come about through unprecedented increases in moonlighting, temporary job-holding, income inequality, and out-migration of displaced workers. And surprisingly large numbers of people, particularly minorities and youth, have been bypassed by economic prosperity. For example, today less than one-fifth of New York City teenagers hold a job, fewer than in any other large city. And, while much of the growing minority population of Long Island is middle-income, surprisingly large concentrations are still poor, underemployed, and residentially segregated.

A growing number of observers have suggested that the loss of its own defense-related manufacturing base has left the Island's economy ever more dependent on the Manhattan financial sector, and thus vulnerable to its well-known volatility. Over 21 percent of employed Long Islanders -- a quarter of a million people -- today commute to jobs in the city. And those who don't often work for Island advertising firms, building contractors, computer companies, law firms, or others who draw a sizable share of their customers from downtown.

Both the city and Nassau-Suffolk have clearly become more dependent on both national and international forces. Global competition affects ever more companies and their employees, tourism has become a major industry, and the region is in the midst of a new era of high-volume immigration. Thus, any effort like ours to look closely at this metropolitan area must approach local issues with an international perspective.

In this first issue, immigration is the main subject of two articles. The first of these is Sharryn Kashmir's interview with Jennifer Gordon, founder of the pioneering immigrant organizing center, The Workplace Project. While New York's influx has drawn considerable media and scholarly attention, far less is known about the fast-growing immigrant population on the Island. Many are Central American refugees who have found work in an underground service economy of low-paid, unregulated, and often unsafe jobs. The interview reveals how a creative, flexible, and multifaceted approach to labor advocacy can sometimes succeed in organizing even those widely thought to be "unorganizable."

What effects has the new immigration been having on native-born minorities? This provocative question is the subject of a much-discussed new book, *Still the Promised City? African Americans and New Immigrants in Post-Industrial New York*, reviewed in this issue. In the period from 1970 to 1997, the foreign-born share of New York City's population leapt from barely one-fifth to over one-third. Author Roger Waldinger uses both extensive open-ended interviews and statistical analysis of census data to determine the relationships between this new immigration and the worsening trends in income inequality since the early seventies.

The current state of the labor market in which native- and foreign-born New Yorkers try to make a living today is appraised in "Regional Job Growth and Wage Trends through Mid-Year 1998." We not only report the official statistical series published by federal and state government agencies, but we supplement their very limited metro-level information with our own analysis of the latest available Current Population Surveys. By examining the special March CPS, which each year captures a host of both demographic and labor market information on 50,000 households nationwide, we try to go far beyond the standard published tabulations to make inter-regional comparisons of gender, racial, ethnic, nationality, and other groupings. We systematically compare New York City not only with national averages, but also with comparable large cities, and Long Island with other suburban areas.

Another source of new research findings to appear regularly in the *RLR* is the *Newsday/Hofstra Poll of Queens, Nassau, and Suffolk counties*. In this issue, Lonnie Stevans investigates the results of the past year's polls in: "The High Rate of Multiple Jobholding: Overworked and Underpaid?" Surprisingly, he reports that Long Islanders are twice as likely as the average American to hold down more than one job at a time. He links this to the region's weak wage growth and to workers' job insecurities from still-fresh memories of the last recession. Media reports of employers' complaints about skilled labor shortages compete for attention with reports of record-breaking corporate mergers, downsizings, and relocations. Worried about their ability to maintain, much less improve their family's living standard in the near future, many workers have felt compelled to respond to rising labor demand by working additional hours or taking on a second job. The more employers are able to tap incumbent employees for additional labor supply, the less pressure on them to hire the long-term jobless or underemployed. Widespread job anxiety also intimidates workers from demanding higher real wages, thereby contributing to higher profit margins and weaker price inflation.

A major cause of concern for many working people has been the cost and quality of health care coverage. In "Long Island's Ailing Health Care Benefits," Niev Duffy presents new research results from her study of the latest government population surveys. She finds that, starting in the recession of the early 1990s, Long Island residents experienced a much faster drop in private health insurance coverage than the nation as a whole. Much of the decline was directly attributable to shrinking employer-provided coverage. Even for those who managed to maintain coverage under employer plans, the costs have steadily been shifted from employer to employee.

Labor unions have grabbed the headlines with unusual frequency throughout 1998. The largest unionization victory in the private sector in two decades was won in July by the International Association of Machinists. A year-long organizing drive in 113 cities culminated in their successful election to represent 19,000 passenger service workers at United Airlines. A key consideration behind many of the pro-union votes was reported to be heightened concerns with job security in the wake of continued airline

mergers. Job security also was a key motivation behind the UAW strike that shut down nearly all of auto giant General Motors domestic production this summer. And New York City is now experiencing the most ambitious set of union recruiting drives since the successful campaign to organize municipal and hospital employees in the late 1960s. Bookstore clerks, limousine drivers, private school teachers, workfare parents, and even fashion models are among those engaged in major organizing efforts.

In "Long Island Labor: Constraints, Opportunities, and New Strategies," Marc Silver identifies important signs of vitality in new union leaders, growing cross-union cooperation and community involvement in recent efforts like the King Kullen supermarket strike. He outlines a number of economic and political barriers to organizing drives, and describes how infrequent and narrow news coverage of labor unions limits public awareness and support. And he suggests an array of promising strategies for labor and community activists to consider in future organizing efforts.

-- *The Editor*

NOTES

ⁱ Lawrence Mishel, Jared Bernstein, and John Schmitt, "Finally, Real Wage Gains," *EPI Issue Brief #127* (Washington, D.C.: Economic Policy Institute, July 1998).

^{i.i} Brooks Pierce, *Compensation Inequality*. (Washington, D.C.: U.S. Bureau of Labor Statistics, 1998).