

Preview

With this issue, we begin our second decade of publishing the *Regional Labor Review*. When *RLR* first appeared in the autumn of 1998, the country was in the sixth year of what would prove to be the longest economic boom in U.S. history. The national unemployment rate – just 4.6% that September – had steadily fallen from 7.8% in mid-1992. By year-end 1998, it had remained below 5% for 18 consecutive months, with no signs of the inflationary pressures that many economists had predicted.

The welcome tandem of low unemployment-low inflation moved Alan Greenspan, head of the Federal Reserve, to declare at the time 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." Greenspan was given much of the credit for this performance by mainstream economists and, when he retired in 2006, was hailed as one of the greatest Fed chiefs of all time.

What a difference a decade makes! The recession that exploded in 2008 has, by many measures, deepened into the worst national economic decline since the Great Depression. As we document in this issue's opening article, the financial crisis has so far resulted in the loss of over five million jobs nationwide and widespread pay and benefits cuts. And even though the brunt of the recession only hit New York City and its environs last September, the number of unemployed New Yorkers had leapt 41% by year's end.

We should not forget that the late 1990s was also a time of crisis as well as prosperity. The costly collapse of over one thousand savings and loan banks from the late 1980s through the mid-1990s was soon followed by the 1997–98 global financial crisis originating in East Asia. Soon thereafter, the dot.com speculative bubble burst, pushing the U.S. economy into recession by 2001. The recovery that officially began the following year led to another massive, much more dangerous speculative bubble and soaring Wall Street profits and executive bonuses. But even before the housing bubble burst in 2006, the average working person saw precious little real wage growth. In fact, for the typical worker, the median weekly wage (after adjustment for inflation) was no higher in 2008 than it had been in 2000. Coupled with soaring costs of health insurance, higher education and housing, wage stagnation has left many millions of Americans highly indebted and vulnerable to foreclosure.

The main reasons for most Americans' wage stagnation are hotly contested. But few economists doubt that the sinking wage floor represented by the federal minimum wage has played a part. For the decade from 1997 through mid-year 2007, opponents blocked any increase in the minimum wage, resulting in a 20% drop in its purchasing power. This summer brings the last increase (to \$7.25) in the federal minimum wage that was authorized by Congress shortly after the 2006 elections. A new legislative battle to increase the minimum next year promises to again be hard fought on all sides. In this issue, Oren Levin Waldman conducts a statistical analysis of the important question whether higher minimum wages might serve the interests of a broader constituency than the lowest-wage workers. The middle class may also gain because a minimum wage increase is likely to affect the wages of those workers earning more than the minimum. Moreover, he finds that wage inequality appears to be reduced and unemployment does not appear to be increased as a result of higher wage floors.

This issue also features an interview with Bertha Lewis, the leader of ACORN. This is one of the first full-length interviews for publication that Ms. Lewis has given since ACORN found itself the target of almost daily Republican criticisms during the 2008 campaign for the White House. Given the centrality of housing to both the economic crisis and to ACORN's organizing and self-help agenda among working class families, the interview is unusually timely and thought-provoking.

The ACORN interview is by Niev Duffy. No one among the founding editors of *Regional Labor Review* was more important than Niev to the original conception, design, and production of this journal. From her earliest days as an economics professor at Hofstra, she devoted herself tirelessly to the most fundamental matters of graphical design, intellectual content, planning of future issues, building the readership and subscriptions, fundraising, and organizing conferences and other events focused on related labor issues. When she wasn't conducting interviews or writing her own articles for *RLR*, she was soliciting original pieces by others, at Hofstra and well beyond. And even after leaving the University for senior research positions elsewhere, Niev has continued to play an indispensable role on our editorial board and to contribute in many ways to each issue.

Clearly, we begin our second decade of *Regional Labor Review* at an historic moment. The United States has broken sharply with the past in electing its first African American President, a pro-labor Northern Democrat who replaces a conservative Southern Republican. And it has done so at a time of spreading economic turmoil and record-challenging job losses. As we struggle to come to grips with a global recession, clear thinking about its main causes, full dimensions, and most effective remedies will be vitally important in shaping solutions with broadly shared benefits. The power shift in Washington, the economic crisis, and government responses to it have already succeeded in reinvigorating and broadening public debate over the

proper balance of the public and private sectors' respective roles in the economy. It is our hope in planning upcoming issues of *RLR* that it might make its own modest contribution toward that debate.

Our goal has been from the start to offer a unique journal of original research and features focused on important labor issues in the New York Metropolitan Area. *RLR* is designed to achieve that goal through writing that is widely accessible to a broad audience. Each issue is distributed to thousands of labor and community activists, students, educators, journalists, businesses, nonprofits, and policymakers. We have been most fortunate to receive the generous financial support of Hofstra University and its Center for the Study of Labor and Democracy (CLD). Founded by Bert Silverman, now Emeritus Professor of Economics at Hofstra, CLD provided the initial funding and institutional base that proved so vital to assembling the staff and research resources needed for such a new and ambitious publication.

None of our accomplishments so far would have been possible without the generous contributions of the University, the *RLR* Editorial Board, our eminent Board of Advisors, and our thousands of readers. We are deeply grateful to all of you for your continued interest and support.

The Editor

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