



Articles & Commentaries



p-Watch — USA



by Michael Manson, long and closely associated with the APO when he was the Assistant Director of the East-West Center's Institute of Economic Development and Politics in Honolulu. He helped to initiate a number of collaboration programs between the APO and the East-West Center. Manson also served in the Asian Development Bank, and was Director of Communications with the State of Hawaii's Department of Business, Economic Development and Tourism. He is presently an educator, and a regular contributor to this column.

Anatomy of the American Worker

A writer compared the US economy of the late 1990s to a "royal flush-the best poker hand one can be dealt. In other words, all the heavenly stars were lined up to bring the US an unprecedented economic boom. Innovation, high productivity, risk taking, persistence, and luck gave the American worker a good shot at the "American Dream." Employment opportunities for the young and minorities lowered the unemployment rate for these groups to historic lows. Employers and employees shared an understanding that maximizing one's economic position was the smart way to embrace the national prosperity. Productivity offered a helping hand. From 1995 through 2000, productivity grew at an average 2.6% compared with 1.5% from 1973 to 1995. A 1% increase over 20 years would represent an approximately 30% increase in output per hour and raise living standards by an equal amount.

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Changes in the nature of the American work-force reflected this grab for prosperity. More women entered the job market to avail of the multitude of opportunities. Forty-seven percent of the US workforce is now female, and women will account for 57% of the growth in the labor force through 2005. Women now fill nearly half of all managerial positions and 6.2 million women have moved into the ranks of business owners. A robust stock market and hefty pension benefits prompted older workers to retire early. In 1960, 78% of men 60 to 64 were in the labor force, as were 31% of workers over 65. In 2000, those figures were 55% and 18%, respectively.

When the curtain fell marking the end of this brief period of economic euphoria, Americans had to adjust. Workers and investors quickly discovered that they had been hoodwinked by high-level management, banks, and brokerage firms. A volley of lawsuits was filed, and the more dishonest of the business elite are now facing civil and criminal charges. Although the sight of white-collar

criminals heading off to jail offered the unemployed American worker a momentary sense of justice, it didn't help put dinner on the table or pay the bills. A new reality had set in and workers had no choice but to adapt.

American workers adapted by working harder for less pay and benefits. The airlines industry has been one yardstick used to judge the economy's health. After leading the way in increased wages and benefits, airline workers are giving up gains earned over the past decade. Over 115,000 airline workers have lost their jobs in the past two years, including 7,800 pilots. One major airline closed all of its 1,700 city ticketing offices. Four of the largest airlines have been in or flirted with bankruptcy over the past year and have beseeched their employees to approve hundreds of millions of dollars in wage and benefit concessions. Employees agreed to the unprecedented cuts, realizing a reduced salary was better than no salary. Wage concessions have hit practically all sectors. Union contract negotiations now focus on reducing wage and benefit losses rather than fighting for salary increases.

The new economic reality confronts workers of all ages and skills. So far in 2003, over 535,000 jobs have been lost, and the average hours worked are the lowest in 40 years at 34.0 per week. Corporate hiring of new college graduates is down 23% from 2001. Fifty-three percent of graduates do not expect to receive a single job offer and 60% plan to move back to their parents' home. Dad, however, might be among the 9.4 million unemployed.

All these misfortunes are stressful. Men produce 70% of family income in the USA and nearly 30% of husbands who have faced unemployment suffer significant mental health problems. The National Mental Health Association estimates that depression costs the economy nearly US\$44 billion annually in absenteeism, lost productivity, and direct treatment costs. In one study, 70% of surveyed workers reported that current economic conditions have increased their overall stress and made them insecure about the future. Only 10% reported to be unaffected by the current economic downturn.

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Whatever happened to worker expectations of less work and more leisure time with loved ones? Such expectations were fueled by earlier progressive labor "experiments." The breakfast food specialist Kellogg Company, for example, instituted a 30-hour workweek in 1930 to contend with the Depression and help realize the dream that machines would create sufficient value through higher productivity to create a workers' utopia. (The experiment ended in 1985.) The US Senate passed a bill mandating a 30-hour workweek in 1933, but the bill lacked the votes to pass in the House of Representatives. Unions were also committed to reducing time on the job, but today only 15% of American workers belong to a union, as opposed to 35% in the 1950s and 20% in 1983.

The phrase that best describes today's work climate is "24/7." One commentator describes the US as a nation obsessed with competitiveness, which helps explain why American workers clock more work hours per week than any other industrialized nation. The impact on American families is reflected in the fact that two-thirds of married women with children under six are in the work-force

today compared with 18% in the mid-1950s. The term "split-shift parents" has come into greater use to describe the 15 million couples (representing one-third of working couples) who work different shifts to cut childcare costs or have no other option if they wish to remain employed. These couples are six times more likely to divorce or separate. Still American workers are committed to the value of work, with 84% saying they would work even though they were independently wealthy and 89% work because it helps people and contributes to the welfare of the community.

What will the future bring to the American worker? We are already seeing signs that worker demand for more leisure and family time is eroding the 24/7 mentality. The current focus on quality of life issues will temper America's work-obsessive behavior. A 2001 Families and Work Institute study indicated that American workers would prefer to work 11 hours fewer per week. The fear of unemployment, however, remains pervasive and this will delay worker demands for that elusive 30-hour workweek.



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