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Unhappy Labor Day

By Harold Meyerson
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Labor Day 2009 is a terrible time to be an American worker.

Official unemployment hovers just under 10 percent, its highest level since the early 1980s. Add in the partly employed and those who have given up on hunting for jobs because there are so few jobs to be had, and the unemployed and underemployed total 16.8 percent of the labor force -- one out of six American workers.

The problems facing workers predate, and are more profound than, the recession, as three important surveys released last week show. Young workers are unemployed in record numbers -- 25 percent of teenagers, or about 1.6 million, are without work, the highest since 1948, when tracking data by age began. But the lot of employed workers under age 35 is dismal, too, as a survey conducted by Peter Hart Research for the AFL-CIO makes clear. Thirty-one percent are uninsured -- up from 24 percent a decade ago. Just 31 percent say that they make enough money to put some aside, down from 52 percent in 1999. With private-sector unionization at a mere 8 percent, and with Chinese competition dragging down wages and benefits across the United States, the living standards of non-professional young Americans are spiraling lower.

Things don't look any better for older workers. The Pew Research Center found that nearly two out of five Americans over 62 who are still working say that they've delayed their retirement because of the recession, and a stunning 63 percent of workers ages 50 to 61 say that they might have to push back their retirement dates because of economic conditions. Those conditions reflect not just the recession but also the massive shift away from defined-benefit pensions to the 401(k) plans that employers have imposed over the past few decades. Even before the recession, it was clear that Americans reliant on 401(k)s hadn't saved nearly enough to guarantee a secure retirement, and many of those who thought they'd put aside enough saw their savings plunge dramatically with the stock market in the past two years.

In the days when defined-benefit pensions were the norm, older Americans actually retired: From 1950 through the mid-80s, the participation of American seniors in the labor force steadily decreased. Since then, though, it has steadily risen. In European nations, where governmental pensions for seniors are more generous and where a stronger union movement has preserved defined-benefit pensions, seniors' participation in the workforce has continued to decrease. Last year, the New York Times reports, almost a third of Americans in their later 60s were still working. In France, just 4 percent of people that age were either employed or looking for work.

The problems of the old become the problems of the young, of course: When fewer older workers retire, fewer younger workers get hired.

The third of last week's trifecta of troubling economic surveys, put together by the National Employment Law Project and a slew of universities and foundations, interviewed 4,387 low-wage workers in New York, Chicago and Los Angeles in the first half of 2008 -- before the full force of the recession took hold -- and found that 26 percent were illegally paid less than the minimum wage in the preceding week. Of the quarter of respondents who worked extra hours, fully 70 percent not only didn't receive overtime pay but received no pay at all for their additional work.

Gather all these mournful numbers -- the millions of Americans unable to find work, the 70 percent of workers under 35 who are unable to set aside any money, the nearly two out of three Americans approaching retirement age who fear they won't be able to retire, and the sub-nation of low-wage Americans routinely cheated on the job -- and what emerges is a picture of a country in decline. The first nation in human history to create a middle-class majority looks increasingly to be losing it. The economic security that was common, though by no means universal, in this country when the institutions created by the New Deal were strong, often provided by unionized corporations that felt compelled to offer insurance and pensions to their workers, is as dead as the dodo.

The Reaganite ideology of the past 30 years insisted that if Americans were freed from the constraints of government and unions and made responsible for their own economic security, a golden age would come. Sure enough, American businesses have eluded regulation and cast off their unions -- but they've left their workers in the lurch. If we fail to enact universal health care and laws that truly make it possible for workers to form unions again, each of our Labor Days will be grimmer than the last.

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