Shoppers face plea to boycott retail giant

By Doug Funke
staff writer

Will a UAW call for a boycott of Hudson's stores Friday, Saturday, and Sunday — traditionally three of the busiest shopping days of the year — succeed and prompt the retailer to enter contract negotiation talks with the union?

The three-day boycott is the latest strategy in an on-going effort by the UAW to bargain wages and working conditions collectively for Hudson's non-management workers.

Listen to union supporters like Mary Grab, a 23-year employee who works at the Westland Mall store, and Gerald Macks, a 28-year veteran working at the store in Troy's Oakland Mall.

"It (boycott) is something that has been brought on by the company that can be stopped at any time if they sit down and negotiate a contract and allow neutral organizing," Grab said.

"What this is about is getting them to the bargaining table in Westland," Marks said. "We're not really being promised anything by the UAW except a voice in what happens to us."

Hudson's, which points to a presence in the Detroit area for 110 years, hopes that customers will continue their loyal patronage during the holiday rush, said Susan Kelly, director of public affairs.

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"WHAT WE are doing after Thanksgiving, like we do every day of the year, is focus on serving our customers," Kelly said. "We have great values. We are certainly expecting positive customer response."

The UAW and Hudson's have been butting heads here since March of 1990. Challenges have been filed by the losing side in every representation election.

The union has won representation votes at Westland Mall, lost at Summit Place Mall in Waterford, and won then lost at Fairlane Town Center in Dearborn.

The UAW has been certified by the National Labor Relations Board as the employees' bargaining agent only at Westland. Hudson's has taken its challenge there to federal court and hasn't yet agreed to negotiate with the union.

"We are really not discussing specific issues in the media as far as the Westland store is concerned," Kelly said.

The boycott, now limited to the three days after Thanksgiving to area Hudson's stores and not Dayton Hudson affiliates like Target and Mervyn's, is seen as a way to get the company to bargain, said Frank Joyce, a union spokesman.

"OUR HOPE is that they get the message. It's in the interest of the community, employees, stockholders, taxpayers — all parties involved — to get this resolved," he said.

The UAW will conduct an informational picket and distribute leaflets outside Hudson's stores urging the boycott, Joyce said. Kelly said only that the company would be prepared, declining to elaborate.

"Our employees are focusing on the fun of the holidays," Kelly said. "We have a Peter Pan exhibit at the Northland store (in Southfield) (that) we anticipate will draw 400,000. We have Santa breakfasts in our stores that mostly are sold out. People want to enjoy the holiday.

"We have a large number of employees who aren't thinking that third-party representation is something they want," she said.

"These are very busy shopping days," Joyce said. "We feel people have lots of alternatives and hope they exercise their choices as consumers to shop elsewhere."

"If we could trim sales by 20 percent, that would be extraordinary," Grab said.

"We will all have a sense of what the (boycott) response is, but we won't know until we get there," Joyce said.

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Mild state recovery seen in '92 by U-M economists

By Doug Funke
staff writer

If you still have a job, you should have more purchasing power next year as wages rise and inflation cools.

If you're unemployed, more jobs are expected to become available in the private sector.

A "comparatively mild decline" in the state's economy July 1990-91 will be followed by a "comparatively mild recovery" next year and into 1993.

That's the forecast prepared by a team of University of Michigan economists and presented at the 39th annual Conference on the Economic Outlook last week in Ann Arbor.

"For people who have been through a recession before, I suspect they will be a little disappointed in the way the recovery unfolds," said Joan P. Crary, who prepared the report with George A. Fulton and Prof. Saul H. Hymans.

"Because the recession was milder, we don't have a vast pool of resources sitting idle waiting to be recovered," Crary said. "There's less room to slingshot out with a booming level of growth.

THE ECONOMIC forecasters predict:

- A slight increase in overall employment of seven-tenths of one percent in 1992 after a decline of 1.9 percent this year.

Manufacturing will have the biggest increase — 2.1 percent — after falling 5.4 percent this year.

Private non-manufacturing employment will rise a half percent after slipping nine-tenths of a percent this year and government employment will drop five tenths of a percent after falling eight-tenths of a percent this year.

That translates to a net gain of 19,000 manufacturing jobs and 12,000 jobs in the non-manufacturing sector.

- A growth in personal income of 5.1 percent during 1992 compared to 2.2 percent this year and a growth in real disposable income, after figuring inflation, of 2 percent next year compared to a 1.1 percent drop in 1991.
- An increase of 6.6 percent in general fund state tax revenue next year after a decrease of 1.5 percent this year.

"MICHIGAN APPEARS to be in a kind of limbo at the present time, no longer declining but not yet recovering either," the report concludes.

"We believe that the economy will move up from the bottom in early 1992 and will exhibit steady but modest growth . . ."

What do the numbers mean to individual lifestyles?

"With modest growth in the economy and no sense of resurgence in inflation, monetary authorities may be able to hold interest rates down," Crary said. "That's not transferable into lower consumer or credit card loans but one impact is mortgage rates. We're forecasting they'll fall more."

Growth in tax receipts also could prove good news to people who depend on or advocate government help programs.

"There's still hard decisions to be made, but decisions will be made with a growing pie rather than a shrinking or constant pie," she said.

ECONOMIC FACTORS influence individuals differently, Fulton noted.

"If you're part of a particular occupation or particular community, things could be a lot worse off. For you, that's a depression.

"Clearly I think our news we're in for a modest recovery has got to be better news to the average person that what the chief alternative is," Fulton said.

"Manufacturing always leads a recovery," he continued. "You might not be an auto worker, but the auto industry buys things from suppliers. An auto worker now employed may go to a corner bar and have a drink.

"There's always some spinoff effects. There's a cumulative causation that ends up benefiting more and more people.

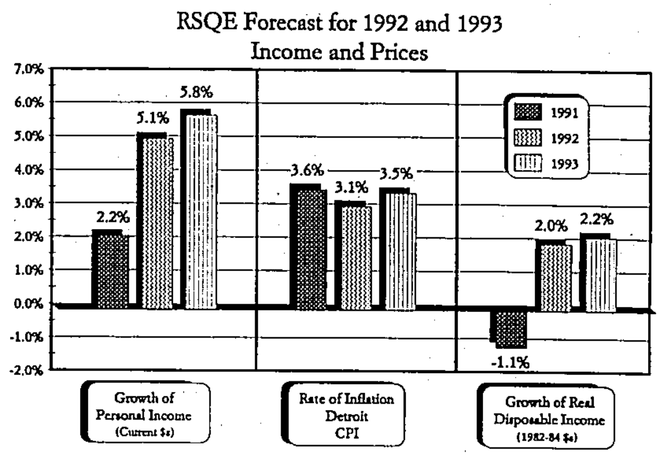
"As manufacturing picks up, non-manufacturing does as well," Fulton said. "It stimulates other areas of the economy. People employed spend money. That creates jobs in the retail sector and theservice sector."

One big plus, according to both Fulton and Crary, is that inventory of unsold new cars is quite low.

"A nudge in sales would translate into production," Fulton said.

"The biggest concern for us is can we get an upturn in car sales" Crary said. "It won't take much. It's not like a shot, but we'll be off."

A further downturn in the national economy caused by banks tightening credit, a more permanent drop in consumer confidence or U.S. firms not taking advantage of exporting markets could tilt Michiganinto a double-dip recession next year, Crary said.



graph provided by the University of Michigan Research Seminar in Quantitative Economics

Real income shrinks for many

By Tim Richard
staff writer

"We have a very good higher education system in this country. But our system for grade and high school . . ."

Economist George E. Johnson paused before finishing:

". . . stinks."

The University of Michigan professor of labor economics found job and wage growth in occupations held by college graduates. But he saw a grimmer picture for high school graduates and dropouts without technical skills.

And young workers are faring worse than their parents. "Younger workers are getting McJobs. I don't want to sound like a sociologist, but that's what's happening," Johnson told the annual U-M Economic Outlook Conference in Ann Arbor last week.

"It's really sort of awful, what's been happening to the median person," said Johnson.

"A 40-year-old college graduate earns 10 pecent less today than the same (age) person 16 years earlier."

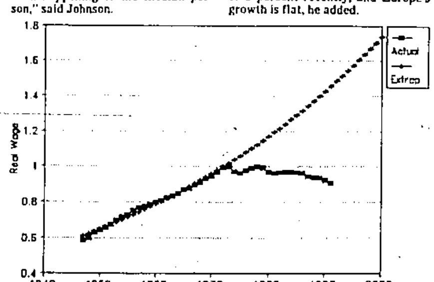
FOR THE FIRST 73 years of this century, a worker could expect real earnings to rise 2 percent a year or 50 percent in a generation. But for the past 14 years, real earnings (adjusted for inflation) have actually declined slightly.

"There has been a virtual disappearance of real wage growth. Today (young workers) are scared," he told the audience of about 100 business executives, government officials and academics.

Why? Foreign competition is the popular explanation, he said.

Johnson's hypothesis: "We have to expand our technology faster than the rest of the world catches up, especially when our best students go to law school."

Japan's productivity growth has declined from 12 percent a year to 4 or 5 percent recently, and Europe's growth is flat, he added.



This U-M graph shows the average private sector real average hourly earnings, with 1973 used as the base year (1.00) for the years 1947-1991 and the extrapolation after 1973 based on 1947-1973 trend.

"THERE HAS been a large increase in the wage differential by age," Johnson went on.

"In Livonia," he said, using that city to symbolize white-collar, automotive suburbia, "Luke, age 50, made far more than Jake, age 22, at the same age . . . There's no consensus as to why this has happened. It beats me."

In "Wage Changes in the United States since 1973: Redistribution of a Stagnant Per Capita Pie," Johnson and John Bound found:

- Very large increases in income related to education.
- A decline in the "gender gap" — women are paid 77 cents for every $1 men earn versus 69 cents in '73.
- A bias toward technological change. Skills associated with computers and high technology saw higher wages.
- Higher wages on the east and west coasts. The New England, Middle Atlantic and Pacific Coast states saw men's real wages rise 5-8 percent from 1973-89. Other regions saw declines.
- A decline in the relative earnings of both black men and women in the '80s after steady rises in the '70s.

EXECUTIVES AND professionals are seeing more unemployment in the current economic downturn — but only half of the joblessness of all other workers, another economist said.

"What's significant about this recession is that they (white collar workers) haven't suffered as much as in the '80 recession," said Malcolm S. Cohen of U-M's Institute of Labor and Industrial Relations.

While the overall unemployment rate has topped 6.5 percent for the last year, joblessness among executives and professionals has not risen above 3 percent.