

## Thank God It's Friday! August 31, 2007



*Happy Labor Day!!!*

On September 5, 1882, 10,000 New York workers led by Peter J. McGuire, risked dismissal from their jobs and marched together through Union Square in Manhattan to rally for a day off for the working man. McGuire, the president of Carpenter's and Joiner's Union, first publicly proposed that a holiday be set aside to give special honor to the "industrial spirit" of American workers. His wishes were eventually granted as a bill passed congress in 1894 deeming "Labor Day" an official holiday. Soon afterwards, Grover Cleveland signed the bill designating the first Monday in September, Labor Day.

This holiday which marks the symbolic end of summer and beginning of school around the country, is a unique day for me. On a warm and sunny Monday morning back in 1982, with both my parents panicking as they couldn't get a hold of their doctor, my Mom went into labor. Why was the doctor so hard to reach? Well, he was off with his family enjoying a beautiful day at the beach as many Americans do on Labor Day. With no such thing as a cell phone, the doctor was never reached and I was delivered by a nurse. This holiday, signed and passed by Grover Cleveland, which coincidentally happens to be a distant relative through my Great Grandfather to the 10<sup>th</sup>, was an ironic day for me to pick to come into this exciting world.

A lot has changed since this holiday was created as an honor for the American "industrial spirit". Over the course of the 20th century, the labor force shifted from industries dominated by production, such as farmers and foresters, to those dominated by professional, technical, and service workers. The public image of organized labor Unions aren't what it used to be. Organized labor is blamed for the U.S. being less competitive in world trade, contributing to inflation, hampering productivity by demands for higher wages, seniority protection and restrictive work rules. Since 1983, the labor union participation rate has steadily declined from 21% to 12%. Service industries were the growth sector during the 20th century, jumping from 31% of all workers in 1900 to 78% in 1999. We have slowly shifted our "industrial spirit" and use of labor unions to a "service and entrepreneurial spirit" that discourages labor unions over the past decade.

The labor force composition has shifted in many other ways as well. Female participation in the labor market has grown dramatically in the 20th century. In 1900, only 19% of women were in the labor force. By 1999, 60% of American women were employed. Furthermore, there has been a marked change in roles women play in the workforce. There are 4 times as many lawyers and 29 times as many physicians today. Child labor laws have been enacted, per capita income has grown substantially, and safe working conditions are now regulated. The current unemployment rate of 4.6% is low by historical measures, and living standards are now better than ever. It's nice to reflect on how far we have come since the first Labor Day and to think about what is possible in the future. Have a nice 3-day weekend and enjoy your hard-earned day off!

By: Mike Harris, MBA

INDEX	08.31.2007	12.31.2006	%Change
DOW JONES	13,357	12,463	+7.2%
S&P 500	1,473	1,418	+3.9%
NASDAQ	2,596	2,415	+7.5%
Bond YIELD	4.54%	4.71%	-3.7%*