



LABOR NEWS

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Mike Beebe, Governor

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James L. Salkeld, Director

THE STATE OF THE UNION/ THE STATE OF THE STATE

“A future of hope and opportunity begins with a growing economy – and that is what we have.”

President George W. Bush, 1/23/07

When President Bush recently delivered his State of the Union Address, he highlighted our strong and dynamic economy, and discussed the challenges we face in keeping the economy growing. The U.S. economy is resilient and responsive despite numerous challenges including a recession, corporate scandals, the 9/11 attacks, and the worst natural disaster in American history.

Specifically, the president cited:

- Our economy has created more than 7.2 million jobs since August 2003. Payroll jobs increased 167,000 in December, 2006 alone, and have increased by more than 600,000 jobs in the four months preceding the address.
- The unemployment rate was 4.5 percent in December. This is well below the 5.1 percent average rate for 2005, and below the average of each of the past four decades.
- Real wages rose 1.7 percent during 2006. This rate of growth is substantially faster than the average rate of the 1990s, meaning an extra \$1,030 last year for the typical family of four with two wage earners.
- Real after-tax personal income per person has increased over \$2,800 – or 9.6 percent – during this administration.

So how did Arkansas fair over the last year in comparison?

Labor force data, produced by the U.S. Department of Labor, Bureau of Labor Statistics and released by the Department of Workforce Services (DWS), shows:

- Arkansas' seasonally adjusted unemployment rate dropped one-tenth of a percentage point to 5.1 percent in December 2006. This is however, up from 4.7 in December 2005.
- The number of Arkansas workers increased 4,100 to 1,320,200 in December. This is up from 1,312,300 in December 2005.
- The number of unemployed Arkansans decreased 1,700 to 71,000.
- The average weekly earnings (private industry/ first quarter 2006 in Arkansas were \$617, compared to \$573 in 2005.
- The median family income for Arkansans in 2006 stayed the same as in 2005, \$45,300.

For more great Arkansas labor market information, visit the Arkansas Department of Workforce Services website www.discoverarkansas.net/



JOB BIAS CHARGES EDGED UP IN 2006, EEOC REPORTS

The U.S. Equal Employment Opportunity Commission (EEOC) last year received a total of 75,768 discrimination charges against private sector employers, the first increase in charge filings since 2002, the federal agency reported as part of its Fiscal Year 2006 data.

The year-end statistics show that charges based on race (27,238), sex (23,247), and retaliation (22,555) were the most frequent allegations, as in past years. Other frequently cited charge bases were disability (15,625), age (13,569), national origin (8,327), and religion (2,541). All charge categories edged up from FY 2005, with the exception of age and equal pay. Individuals may allege multiple types of discrimination in a single charge filing.

Additionally, 12,025 sexual
(contd. on page 4-See EEOC)

WAL-MART WORKERS TO RECEIVE MORE THAN \$33 MILLION IN BACK WAGES

The U.S. Department of Labor announced on January 25, 2007 that Wal-Mart Stores Inc. will pay over \$33 million in back wages to resolve issues that arose under the Fair Labor Standards Act (FLSA) concerning how the company computed overtime pay. The agreement covers 86,680 employees who worked for the company from Feb. 1, 2002 to Jan. 19, 2007.

"This settlement provides \$33 million in back wages, plus interest, to Wal-Mart workers, and the company has taken corrective action to prevent this from happening again," said Assistant Secretary of Labor for Employment Standards Victoria A. Lipnic.

To finalize the agreement, the Labor Department filed a complaint in the U.S. District Court for the Western District of Arkansas, Ft. Smith Division, against Wal-Mart Stores Inc. alleging violations of the FLSA overtime provisions. A consent judgment ordering the company to pay back wages and enjoining it from further violations was filed at the same time. The consent judgment was approved by the court.

Wal-Mart brought this matter to the attention of the Department of Labor after an internal audit raised concerns regarding overtime computations. The issues involve how Wal-Mart treated incentives and other premium payments in the calculation of employees' overtime pay. The agreement also addresses payment of overtime to certain non-exempt salaried interns, manager trainees, and programmer trainees.

Under the terms of the consent judgment, Wal-Mart has agreed to pay all back wages the Labor Department has determined are owed for violations identified in

the consent judgment to present and former employees, and to pay pre- and post-judgment interest. The company has also agreed to set up a Web site (www.dol.settlement.wal-mart.com) and to staff a toll-free telephone number, (888) 262-1559 or TTY (800) 318-7442, to answer questions regarding the back wages. A third-party administrator will disburse the payments to the affected employees. The agreement resolves only those violations identified in the consent judgment. It does not affect ongoing private litigation or workers' ability to file complaints with the Labor Department.

Headquartered in Bentonville, Ark., Wal-Mart operates more than 3,900 establishments in the U.S. Back wage payments will go to current and former employees of the company's retail divisions in the U.S. and Puerto Rico, including Wal-Mart Discount Stores, Wal-Mart Supercenters, Neighborhood Markets, and Sam's Club warehouses.

For more information about federal overtime laws, call the U.S. Department of Labor's toll-free help line (866) 4US-WAGE (487-9243). Information on the overtime requirements is also available on the Internet at www.wagehour.dol.gov.



FACTS ARKANSAS WORKERS SHOULD KNOW!

- Workers who are fired by a corporation must be paid their last paycheck within seven days of being fired. In all other cases, payment must

be made at the regularly scheduled payday.

- If an employer owes an unpaid last paycheck of less than \$1000 to a worker, the worker may file a wage claim with the Arkansas Department of Labor. This is also true for independent contractors. If they are owed more than \$1,000, but less than \$3000, workers may file suit in Small Claims Court without an attorney.
- Employers may NOT charge workers for medical tests or drug screens that they require them to take.
- Employers may NOT require employees to have their checks direct deposited into a bank account. The worker has the right to refuse to use direct deposit. He may do so by giving the employer a written and signed letter that says the worker does not want direct deposit.
- Holiday pay, shift differentials, vacation pay or sick leave are not required to be offered to workers under Arkansas law. However, the federal Family and Medical Leave Act requires some employers to offer unpaid leave for serious medical conditions of the employee or member of their immediate family. To see if you qualify for this leave, contact the United States Department of Labor at 501-223-9114.
- Neither state nor federal law requires an employer to provide a break or a meal period. Breaks of less than 20 minutes are considered work time, and the employer must pay covered employees for those breaks.

For answers to your questions on employment related issues, contact the Arkansas Department of Labor's Labor Standards Division at 501-682-4500, or visit our website at www.arkansas.gov/labor



IN THE WORKS

☞ In December 2006, Hawaii and Utah recorded the lowest unemployment rates among the States, 2.0 and 2.6 percent, respectively. Nine other States – Virginia, Montana, Wyoming, Nebraska, South Dakota, North Dakota, Idaho, Florida, and Delaware – had unemployment rates below 3.5 percent. The national unemployment rate was 4.5 percent in December.

☞ Average annual expenditures per consumer unit (household, roughly speaking) rose 6.9 percent in 2005, following an increase of 6.3 percent in 2004 and 0.3 percent in 2003. The increase in expenditures from 2004 to 2005 was more than the 3.4 percent rise in the annual average Consumer Price Index (CPI) over this period. Statistically significant increases in spending included: housing – 9.0 percent, transportation 7.0 percent, food – 2.6 percent, personal insurance and pensions – 7.9 percent, apparel and services – 3.9 percent, health care – 3.5 percent, and entertainment - 7.7 percent.

☞ The labor force participation rate of men has been decreasing since the 1950s, having registered 86.4 percent in 1950, 79.7 percent in 1970, 76.4 percent in 1990, and 73.3 percent in 2005. The decline in men's participation rate is expected to continue and is projected to be 70 percent in 2020 and 66 percent in 2050.

Women's labor force participation, which was at a rate of 33.9 percent in 1950, increased significantly during the 1970s and 1980s, climbing to 57.5 percent in 1990. In 1999, the women's participation rate reached a peak of 60 percent. Their rate has begun to decline and is projected to continue and reach 59.4 percent in 2020 and 55.1 percent in 2050.

AG WARNS OF WORK AT HOME SCHEMES

Arkansas Attorney General Dustin McDaniel's website offers a number of consumer alerts to protect our state's citizens, one being against work at home schemes.

Many consumers who need extra money find it impossible to hold even a part-time job outside their home because of family obligations or health considerations. These people often are attracted to classified ads in the newspaper or in magazines or direct mail solicitations which offer them a chance to earn money by doing work at home.

Work at home opportunities are quite frequently schemes which take advantage of low income or handicapped persons. These schemes all have one thing in common: you must buy something before you can begin work.

If you answer an ad that offers profits for a work at home project for which there is a great demand, but which requires no experience, chances are you will end up losing money instead of making any.

There is no substitute for closely examining any offer which promises or guarantees income from work-at-home programs. If it sounds too good to be true, **(Contd. on page 4 – See Schemes)**

ARKANSAS' MINIMUM WAGE TIMELINE

Jan. 1, 1969	\$1.00
Jan. 1, 1970	1.10
Jan. 1, 1971	1.20
Jan. 1, 1973	1.40
July 1, 1975	1.70
Jan. 1, 1976	1.90
Jan. 1, 1977	2.00
July 1, 1977	2.10
Jan. 1, 1978	2.70
Jan. 1, 1982	2.80
Jan. 1, 1983	2.95
Jan. 1, 1984	3.05
Jan. 1, 1985	3.15
Jan. 1, 1988	3.25
Jan. 1, 1989	3.30
Sept. 1, 1989	3.35
July 1, 1991	3.65
July 1, 1992	4.00
Aug. 1, 1993	4.15
July 1, 1994	4.25
July 1, 1997	4.75
Oct. 1, 1997	5.15
Oct. 1, 2006	6.25

For questions on the minimum wage, call 682-4500.

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Jeanette Donahue, Editor

If you would like your name off the mailing list or know someone who would like to be added, if your name/address/company has changed, or you would like to receive the newsletter by e-mail instead of U.S. Mail, please let us know.

_____ Add my name

_____ Remove my name

_____ Change my information (please include old label)

_____ E-mail Safety News

Name and title _____

Organization _____

Mailing Address _____

City, State, Zip _____

E-mail Address _____

EEOC (contd. from page 1)

harassment charges and a record 4,901 pregnancy discrimination charges were filed with the EEOC and with state and local Fair Employment Practices Agencies combined. A record 15 percent of sexual harassment charges were filed by men.

The FY 2006 data also show that the EEOC:

- Resolved 74,308 private sector charges, with a historically high merit factor rate of more than 22 percent (representing favorable outcomes for charging parties). A record 8,201 cases were resolved through voluntary mediation.
- Conducted a record 5,628 outreach, education and technical assistance events nationwide, reaching more than 300,000 people. Approximately 1,000 events were held under the Youth@Work Initiative to promote positive first work

experiences for young adults. Other national outreach efforts included the Freedom to Compete Initiative and the New Freedom Initiative, and programs focused on EEOC-enforced laws, mediation, and small business.

- Recovered a total of approximately \$274 million in monetary relief for charging parties: \$44 million through litigation and \$230 million through administrative enforcement, including mediation. Additionally, the agency obtained substantial non-monetary relief, such as employer training, policy implementation, reasonable accommodations, and other measures to promote discrimination-free workplaces.
- Filed 371 merits lawsuits (direct suits, interventions and other enforcement actions), including 137 cases involving multiple aggrieved parties or victims of discriminatory policies.

Significant injunctive and remedial relief was also achieved through litigation settlements, jury verdicts and court rulings.

The EEOC enforces federal laws prohibiting employment discrimination. Additional data and information are available on the agency's web site at www.eeoc.gov.

Schemes (contd. from pg. 3)

chances are that it is. Consider it a warning sign if a worker must buy something in order to start the program. Those interested also should take into consideration that by becoming involved in a work-at-home scheme, they might well be perpetrating a fraud by selling a program to others, and risk investigation by federal, state and local authorities.

For more information, contact the Consumer Protection Division of the Attorney General's Office at 501-682-2341, 800-482-8982, or consumer@ag.state.ar.us