

# Social crisis in Detroit: An investigative report

## Part 1: The spiraling cost of food

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*The following is the first of a three-part series. Part two, "The impact of gas prices," followed on June 21; and part three, "Collapse of an American city," concluded the series on June 23.*

Over the past month, the *World Socialist Web Site* has conducted an investigation into the impact of rising food and gasoline prices on working class families in the Detroit metropolitan area.

Detroit, historically known as the auto capital of the world, has been transformed into the biggest poor city in America, according to the US Census Bureau, with an official poverty rate of 31.4 percent. Detroit has earned this designation several times over the past 30 years as the auto industry destroyed tens of thousands of decent paying jobs.

This once booming city of 2 million has lost more than half of its population, now standing at 900,000, with the exodus accelerating yearly. In some areas only the poorest people remain and the tax and employment bases have collapsed. As a result of the decline, Detroit has the highest high school dropout rate of any big city in the country—over 50 percent. It also has one of the highest unemployment rates in the US and is listed among the top 10 cities in home foreclosures. The city also has recently been determined to have the highest rate of families needing food assistance.

Historical comparisons, while never adequate, can often help to provide a point of reference for the transformation that has taken place over years or decades. During the postwar period of the late 1940s and early 1950s, Detroit was the auto capital of the world. At that time, 80 percent of the world's cars were built in the US, with a large percentage of them produced in Detroit.

During the 1950s, due to the relatively higher living standard of autoworkers, Detroit and the state of Michigan boasted one of the highest single-home ownership rates in the US. Today, 5 percent of all homes in Detroit are in some form of foreclosure, a rate five times the national average. According to some estimates, in the last year foreclosure auctions accounted for some 30 percent of home sales in counties surrounding Detroit.

It was also during the postwar period that the United Auto Workers (UAW) set the trend for wage gains and benefits for US workers through bitterly fought strikes against the Big

Three auto companies. In contrast, in 2007, the UAW negotiated contracts with General Motors, Ford and Chrysler that cut the wages of new hires to half of previous levels, down to \$14 an hour with limited benefits. While the workers lost wages, the union won control over the multibillion-dollar retirement health care program known as VEBA (Voluntary Employees' Beneficiary Association).

The recently concluded strike of auto workers against American Axle Manufacturing has resulted in cutting wages for existing workers from \$28 an hour to as low as \$10 an hour, a rate below the official poverty level for a family of four and amounting to insufficient income to support a mortgage.

Just as in the immediate post-WWII period the relatively high living standards of auto workers set the standard for American society at large, so today every concession and claw-back granted to the auto bosses by the UAW sets the stage for lowered wages and layoffs throughout the US economy.

The situation confronting Detroit is a particularly sharp expression of a growing trend in Michigan, the Midwest, and across the country. Detroit, like many industrial cities, has been severely hit by the loss of manufacturing jobs—in this case in auto and supporting industries—that has left whole communities devastated. The Detroit metropolitan area alone has lost 150,000 jobs since 2000, affecting both the inner city and the surrounding suburban area.

The protracted deterioration of living standards for the majority of the city's working class population has accelerated sharply as a result of the spiraling of food and energy prices, a worldwide phenomenon that has provoked mass demonstrations, rioting and the fall of governments in other countries.

During the weeks in which we gathered the information and interviews for this report, the cost of gasoline shot up from \$3.65 to \$4.09 a gallon.

Food price increases have been almost as dramatic. In the past year, according to the Bureau of Labor Statistics, the price of bread increased by 16.3 percent, eggs by 34.8 percent, milk by 23.1 percent and flour by 37 percent.

Signs of distress are readily apparent. On May 11, the *Detroit Free Press* published an article noting the increase in food aid throughout the state. The article featured an unemployed auto

parts designer who lived in one of the more affluent Detroit suburbs, Grosse Pointe Woods. The article reports that according to the Michigan Department of Human Services a record number of Michigan residents—1.26 million adults and children in 590,600 households—are using government-issued food stamps. Three out of ten recipients in the state live in Wayne County, where Detroit is located, and the overwhelming majority are residents of the city itself.

According to the *Free Press*, Michigan has seen a 53 percent increase in food stamp need since 2003, with one in five children living in a household qualifying for food stamps.

Underscoring the fact that the development is far from a localized problem, however, Michigan was third in the line of increased need, with Massachusetts experiencing a 77 percent increase and Iowa a 63 percent increase. Nationwide, a staggering 27.7 million people received food stamps in the month of January 2008, with food and fuel prices jumping substantially since the beginning of the year.

### **The impact of food inflation in Detroit**

Over the past month, the WWSWS has conducted interviews with local residents, food bank suppliers and charity workers on the impact of recent food and fuel price increases on working class families in Detroit.

Jada Browning, 29, recently lost her job as a waitress after the restaurant where she worked closed down. She spoke to the WWSWS of the difficulties she faced in providing for her three children, aged two, four and twelve. “Some weeks we have less meals, no one can have seconds if they are still hungry,” she said. “You have to ration portions out better. It’s ridiculous.”

Asked if her family’s situation had worsened in relation to the inflation of the last year, Jada said, “Yes, the last year or year and a half.” Even at the discount grocery store where she did her shopping, she told us, “You used to be able to get things for a dollar or a dollar-fifty. Now it is two-fifty. A gallon of milk is almost four dollars. It’s insane.”

Ola Horne, a retiree living on a fixed income, noted the growing hardships in Detroit. “Times are bad. People are losing their homes. You can’t keep up with this economy. Utilities are up. People’s salaries are being decreased—the cost of living is increasing.

“I’m a 67-year-old senior, and it’s impossible,” she said. “There are no dreams. Your dream is you wake up tomorrow and your house is still on the block, or your utilities haven’t been shut off, or you can buy \$5 worth of gas, which used to get you five gallons. Now you can’t get one gallon.”

“If I was employable, that would be one thing,” Ola said, “but who’s going to hire?”

Dwayne Wells, president of Gleaners Food Bank, the largest food bank distributor in the Detroit metropolitan area, told the WWSWS that in the last year alone the agency distributed over 25 million pounds of food to 420 partner agencies, such as the Salvation Army, the Capuchin Soup Kitchen, and others.

Wells said the 40 tons of food distributed daily last year was

still not sufficient to meet the growing need for food. In particular, he said, agencies were straining to meet the needs of “first time people coming to them looking for assistance. More working poor, more seniors who are having trouble making ends meet—and therefore are not able to meet the food needs for themselves or their families.”

Low-income working families and those living on fixed incomes are especially vulnerable to inflation, Wells noted. “If you factor in increases in utility costs, transportation costs and medical costs, there is typically for those folks not enough money by the end of the month to help them purchase food and other things that they need. And that’s where Gleaners and their partners come in.”

Gleaners recently issued an urgent appeal for funds after seeing their donations go down as the food need rises. Wells said the individual donations and the corporate donations have dropped because of the “tough times” presently being experienced in Detroit and Michigan. “Overall you could say the entire economy in the US is suffering, but Michigan is one of the places where the need is heightened.”

Wells felt strongly that the economic problems witnessed in Detroit were not race-based. “They cross all the demographics of age, race and culture ... inner-city, suburban, rural. It is widespread.”

Wells also noted that the problems confronting the working poor were not short-term or simply a matter of individual hardships, personal “hard times.” “In the past,” he said, “people with families would come for the first two or three months [after losing a job], they would find employment and get through the temporary crisis they might have been having, then they would stop coming.”

“Now those people are not cutting off after three months,” he said. “They are continuing to have to rely, so they are coming every 30 days now or taking a longer period of time to right themselves. It is becoming less of an emergency food system and becoming more of a regular ‘gap’ filler.”

*To be continued*



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