

Record numbers using food stamps in Ohio, Michigan

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Nationally, the number of people using food stamps is due to reach 28 million by next year, tying a record for the program set in 1994. As one might expect, the number of people using food stamps in economically devastated Michigan and Ohio is particularly high; more than 1.25 million—a record number—of Michigan residents now receive food assistance, while the 1.1 million Ohio residents using food stamps represent a doubling of the number since 2001. The latter figure does not include the estimated 500,000 people who are eligible for food stamps but have not signed up.

These numbers are truly appalling, especially when one discovers that many of those who are either receiving or eligible to receive food stamps are employed. For example, the poverty threshold for a two-adult, two-children family is the grossly inaccurate figure of \$20,444; to be eligible for food stamps, a person's gross income must be less than 130 percent of that figure, or \$26,250. According to "The Real Bottom Line," an Ohio study on poverty, the majority of that state's families meeting this requirement are employed. While current figures for Michigan are unavailable, one can safely assume a similar finding.

Between 2000 and 2007, Ohio lost more than 209,000 non-farm jobs—the largest proportionate decline in employment since the end of the Great Depression, according to an analysis by the American Manufacturing Trade Action Coalition reported earlier this year in the *Cleveland Plain Dealer*.

Employment in the state dropped by 3.7 percent, the biggest seven-year drop since the period starting in 1939, near the end of the Depression and including the years the US military absorbed millions of American workers to fight World War II.

Only Michigan lost a greater proportion of its employment during the period—9.1 percent or 431,000

jobs. This included more than 150,000 jobs in the auto industry.

Rapidly rising food prices, gas and other living expenses exacerbate the problems for those who do have work; but as the figures on the growth of food stamp usage demonstrate, many jobs simply are not paying enough. In 2007, about a quarter of Ohio's workforce, or 1.1 million people over 18, earned less than \$10 an hour. Nationally, almost 33 million workers—almost one fourth of the workforce—make less than \$10 an hour.

As Roberta Garber, executive director of Ohio's Community Research Partners, told the *Toledo Blade*, "It is a misconception that people who are poor don't work. Somebody can be in a job making \$10 an hour, and if they work full-time, they will still be below the poverty level."

A case in point is 32-year-old Antoinette Robinson of Toledo, Ohio. Although she works full time at Rite-Aid, she makes only \$7 an hour, and the \$503 she receives for food stamps represent the majority of the food budget for her and her four children, according to the *Blade*.

Hovering over these chilling facts is the bleak promise of poverty- or near-poverty-level wages spreading to jobs that have traditionally offered good pay and benefits. The contract signed by the United Auto Workers union after its betrayal of the recently concluded three-month American Axle strike makes this clear. The wages of those who remain at American Axle (more than half will lose their jobs) will be cut from \$28.00 an hour to between \$14.00 and \$18.00 an hour, while starting pay for new hires will be dropped to \$11.50 an hour.

The automobile industry has traditionally established the wage and benefit pattern for other occupations,

private as well as public. During the post-World War II boom, American industry faced little competition and ruled the markets. As a result, industrial workers were able to win decent wages and benefits, establishing a similar pattern for other occupations, both private and public.

The increasing challenge to US industrial dominance from Japan and Europe resulted in lower profit margins for American industry, leading to the financial interests' policy of deindustrialization as a means of increasing capital for financial speculation. At the same time, the auto companies increasingly shifted production to low-wage regions. Consequently, the working class has experienced the loss of millions of good-paying jobs and a devastating attack on their standard of living.

Now, even the remaining industrial jobs will offer little better than poverty-level wages, and other occupations—e.g., healthcare positions, education, the airlines—can once again expect the auto industry contracts to set the pattern for the rest of the economy.

Recently, Daniel Howes, business columnist for the *Detroit News*, referred to Michigan workers as having “won the 20th Century lottery”—i.e., they were lucky to have been “given” the auto industry, which resulted in an increased standard of living. What the American Axle contract (and other auto-related contracts) tells us, according to Howes, is that workers in Michigan and other industrial states can no longer expect this so-called middle class living standard. Public employees—and Howes pointedly referenced educators—will have to follow the auto employees' suit.

There is little doubt that Howes was speaking for the financial interests, just as there is little doubt that these same interests see their own “lottery” in the creation of poverty or near-poverty level conditions for the working class.



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