“Shabby benefits” at Bob Evans could cost public $20 million

An analysis based on statistical averages indicates that the state and federal government could pay more than $20 million annually to provide food assistance, Medicaid and cash assistance to Bob Evans workers who earn too little from their employer to meet their family’s basic needs.

Data released by the Ohio Department of Job and Family Services (ODJFS) in January provided a one-month snapshot – July 2010 - of Bob Evans workers and their family members using public assistance: 4,797 used Medicaid in that month; 4,057 used food aid and 249 were enrolled in the Ohio Works First assistance program. ODJFS does not provide specific costs associated with each employer, so Policy Matters Ohio used monthly averages to illustrate the magnitude of this state and federal subsidy to these working families. The average cost per recipient per month of the least expensive component of Ohio’s Medicaid program (Covered Families and Children – Managed Care) is $236, which multiplied by 4,797 recipients and 12 months totals $14.1 million dollars. The cost of food assistance could be as much as $6.9 million and of Ohio Works First, $493,199.

“People who work should be able to support themselves and their families,” said Wendy Patton, the author of the report. “The plight of these workers and their families illustrates a basic problem in our economy.”

Last week, Governor Kasich said that workers at Bob Evans receive “shabby benefits”, and suggested that public sector workers should pay more for their benefits because of such weak private sector benefits.

“The answer is not that more Ohioans need lower earnings,” said Patton. “More people in Ohio need a living wage and benefits that are not shabby.”