

Welfare at work

What do Wal-Mart, McDonald's and the Cleveland Clinic share? They all have employees relying on Medicaid and other public aid

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Talk about people on public welfare — subsisting on cash assistance, Medicaid, food stamps — and the assumption is likely to be that these are essentially shiftless people who need to get off their duffs and find themselves paying jobs. The welfare class usually proves an easy target when there's blame hurled for rising government spending.

But what gives when the entity depending on the system of publicly financed safety nets is a thriving corporation?

Analyzing data provided by the Ohio Department of Job and Family Services, Policy Matters Ohio, a Cleveland-based research organization, recently issued a report identifying the private employers in the state that in 2006 and 2007 had the most workers receiving public benefits in cash, food stamps and health care. The report updated an earlier analysis that covered 2004 and 2005.

People need work, and with few exceptions, they are willing to take whatever jobs are available to them. The disgrace is when corporate employers use their labor but do not provide sufficient benefits or pay enough for all their workers to afford the essential living needs. It is a disgrace when the cost of sustaining the workers and their dependents is shifted to the government.

The report indicates a monthly average of 111,046 workers and dependents from 39 companies were on Medicaid in Ohio last year. The cost to the state was \$115.5 million. Cash assistance to working families in the 39 companies amounted to \$10.5 million. Nearly 80,000 workers and dependents also qualified for food stamps. The bill to the federal government, which finances food stamps, was \$96.9 million.

Leading the companies with the most workers and dependents on Medicaid were Wal-Mart, Ohio's largest employer, followed by McDonald's and Yum! Brands, the corporate owner of Kentucky Fried Chicken, Pizza Hut and Taco Bell. McDonald's led the pack in both food stamps and cash assistance.

Over the four-year period from 2004 to 2007, the number of workers and dependents enrolled in Medicaid at InfoCision, the Akron telemarketing company, increased 60 percent. At the same time, the Cleveland Clinic and Target recorded 40 percent increases in Medicaid enrollment.

Employers complain about the increasing strain of the cost of health care, in particular, on their ability to compete. The Ohio Policy Matters report shows that for some of the state's largest private employers, the response is to offer compensation so low that their workers have to rely on the public to pick up the cost. Smart business? Or corporate welfare?

There is something deeply shameful about a situation in which workers for food companies, say, can't afford food without help from the public and employees of renowned hospital systems must depend on Medicaid for their health care.

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