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Fast food giants cost America \$7 billion

By Tony Pecinovsky



Two recently published reports shed damning light on the high cost of low wages in the fast food industry - an industry dominated by the restaurant giant McDonald's, which raked-in over \$5.4 billion in profits last year.

The reports - Super Sizing Public Costs: How Low Wages at Top Fast-Food Chains Leave Taxpayers Footing the Bill and Fast Food, Poverty Wages: The Public Cost of Low-Wage Jobs in the Fast-Food Industry - argue that low-wages in the fast-food industry cost taxpayers nearly \$7 billion annually. Medicaid and CHIP (the Children's Health Insurance Program) account for more than half of the \$7 billion, at an average of \$3.9 billion annually. Additionally, due to low earnings, fast food workers' families also receive an annual average of \$1.04 billion in food stamp benefits and \$1.91 billion in Earned Income Tax Credit payments. "In effect," the Rev. Martin Rafanan, the community director for St. Louis Can't Survive on \$7.35, told the People's World, "taxpayers are directly subsidizing the enormous profits of these fast-food giants."

The ten largest fast-food companies alone made more than \$7.4 billion in profits in 2012 and paid their top executives more than \$53 million in compensation.

According to Fast-food, Poverty Wages, "fast food jobs pay so little that 52 percent of families of front-line fast-food workers rely on public assistance programs" and "compared to the overall economy, fast-food jobs are twice as likely as other jobs to pay so little that workers are forced to rely on public assistance (52 percent vs. 25 percent)."

Low-wage fast-food jobs cost tax-payers the most in California (\$717 million), New York (\$708 million), Texas (\$556 million), Illinois (\$368 mil-

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lion), and Florida (\$348 million).

"Seven billion dollars is a huge amount of money that fast-food companies are draining out of our communities," Rafanan continued. "It would be much better if that money could be spent improving our schools, fixing our roads or creat-

Fast-food workers nationally are calling for \$15 an hour in pay.

ing good-paying jobs.”

According to Super Sizing Public Costs, “McDonald’s represents the most costly fast-food company for tax-payers.” Low wages and lack of benefits at McDonald’s cost tax-payers “\$1.2 billion every year in public assistance programs,” according to the report.

YUM! Brands (Pizza Hut, Taco Bell, KFC), Subway, Burger King and Wendy’s round-out the top five fast-food companies with workers who rely on public assistance.

The median average wage for fast-food workers is \$8.69; an estimated 87 percent of fast-food workers do not receive health benefits. Furthermore, 67 percent of front-line fast-food workers are adults 20 and older; 68 percent are the main earners in their families and more than one-quarter are raising children.

According to Ken Jacobs, one of the authors of Fast Food, Poverty Wages, “these are conservative estimates. They do not take into account childcare costs, WIC [a special supplemental nutritional program for women, infants and children], section-eight housing or state-based programs.”

“This business model puts tax-payers on the

hook, while rewarding corporate CEO’s,” Jack Temple, a policy analyst for the National Employment Law Project and co-author of Super Sizing Public Costs, said during a conference call with the press on October 15. Temple added, “low-wage fast-food jobs are expensive for all of us.”

The reports come on the heels of a nationwide wave of fast-food worker strikes; most recently strikes took place in over 60 cities across the nation with thousands of fast-food workers walking off their jobs. Devonte Yates, a Milwaukee McDonald’s worker who receives food stamps, said, “I work hard. This is something I have to do to provide for my family.” “The CEO of McDonald’s makes more in a day than I make in a year,” Yates added. Willietta Dukes, a North Carolina Burger King worker who also receives food stamps, said she has worked in the fast-food industry for 16 years. She has two sons and works two jobs “just to put food on the table.” Dukes added, “sometimes I have to go without my medicine because I can’t afford it.” Fast-food workers nationally are calling for \$15 an hour in pay.



Tony Pecinovsky writes for Peoplesworld.org

ALEC eyes county gerrymandering

By PW Editorial Board

Our United States of America is the richest country in the history of the world. Yet, millions of our fellow citizens are struggling, and for too long failing, to maintain a minimum standard of living, with far too many falling below the poverty level. 46.2 million don’t know where they are going to eat next. The productivity of American workers has skyrocketed and is among the highest in the world. Should they not be enjoying a high standard of living? Yet, the total income of American workers today is the smallest share of national income in our history. How can this be? The problem we face is the largest portion of the unprecedented wealth created in our industrial, financial, commercial, agricultural, and overall economy goes into the coffers of the tiniest fraction of our population. The giant corporations that control our economy have record profits and hoard \$1.7 trillion in liquid assets, which rises to \$ 5.1 trillion if overseas holdings are included.

Contrasted to this growing wealth accumula-

tion by the ‘one percent’, the wages and benefits of millions of working Americans keeps going down as the cost of living goes up, and additional millions try to survive with no jobs.

A rash of legislation at federal, state, and local levels has contributed to this downward slide. In the year 2013 alone, 117 bills have fueled a “race to the bottom” for working people, with many passed into law, especially at the state level..

These bills are in fact written and pushed forward into law by an organized group of owners of some of the richest corporations which control our economy, known as the American Legislative Exchange Council (ALEC). Not content with what has been done on the state level ALEC forces are now subjecting Ohio counties with a strong Democratic Party and organized labor base, to an onslaught of proposed changes in county government which, if passed, will abolish countywide election of county leaders. ALEC’s efforts in Ohio at the local level may be the start of a national effort. These efforts must be defeated.

ALEC’s efforts at the county level must be defeated.

Undocumented activists block bus

By Blake Deppe

On October 17 in San Francisco, a bus filled with dozens of immigrants en route to deportation ran into an unexpected roadblock: a group of undocumented activists and allies. They blocked the vehicle as part of a peaceful protest against what is seen as the heinous treatment of undocumented citizens, as well as the mass deportations perpetuated by Immigration and Customs Enforcement (ICE).

For the activists, amongst whom were Asians and Latinos, this was yet another act in the growing national movement to pressure President Obama to use his executive authority to stop the deportations, which are tearing undocumented families apart. This act of protest followed a previous unprecedented action in Arizona, where immigrants chained themselves to the wheels of deportation buses. There, they decried Congress' refusal to pass comprehensive immigration reform legislation and called for real change. Now, the San Francisco action has added more voices to that collective cry of outrage. Dean Santos, a local immigrant youth leader with the Asian immigrant rights organization ASPIRE, once faced deportation himself and spent days in a detention facility in Arizona. He remarked, "I've been in that bus before, and I remember how powerless I felt. Now, I'm coming back with the power of our communities in our effort to stop the separation of families." Jen Low, with Los Angeles-based activist group Asian Americans Advancing Justice, added, "There are family members - there are mothers, there are fathers, there are children, there are brothers, there are sisters that may never see their family members again. The plan is to go nationwide with our protests until the deportations stop and until we get a pathway to citizenship."

These events come at a time when the Obama administration has been responsible for two million deportations, and spent \$18 billion on sepa-



rating families during 2012. The growing number of immigration reform rallies and the vehement opposition to unfair deportations is largely seen as a movement that is increasingly influential.

In California at least, some improvements have been made: Democratic state governor Jerry Brown announced on October 5 the signing of eight bills that gave undocumented Californians new rights and protections, including that immigrants could not be deported for minor crimes. Meanwhile, while 15 of the undocumented protesters who chained themselves to buses in Arizona were arrested, things didn't quite go down that way in San Francisco, which is a sanctuary city. Since 1989, San Francisco's Sanctuary Ordinance has meant that city employees, including police, are prohibited from assisting ICE with immigration investigations or immigration-related arrests. As a result, no arrests were made at the October 17 protest, nor were any undocumented handed over to federal agents. Instead, police negotiated with the activists for several hours before convincing them to move from the bus and let it go on its way. Despite this, demonstrators made it clear that the fight is not over.

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LOCAL NEWS

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Cory Booker wins NJ Senate race

By Special to Peoplesworld.org

Democrat Cory Booker defeated his tea party opponent Steve Lonnegan and made history last week by becoming the state's first African American U.S. senator.

Booker triumphed over Lonnegan with a sound margin of 56 to 44 percent.

"This victory reaffirms that New Jersey voters strongly support Cory Booker's vision for social progress, compromise, raising New Jersey's minimum wage via Ballot Question #2 this Nov. 5 and an economy that works for all," the state's AFL-CIO said today. "At the same time, this election sends a strong message that New Jersey families strongly reject the divisive and regressive thinking of tea party plotticians like Steve Lonnegan."

Lonnegan has served as mayor of Bogota, a small town in the northern part of Bergen County and tried often during the campaign to sharpen the divide between New Jersey residents in small towns and those who live in bigger cities like Newark and Jersey City.

The tea party candidate took extreme right wing positions throughout the campaign.

"The tea party has proven that they are wholly unfit to hold elective office. We are glad that voters in New Jersey recognized this fact and in turn defeated tea party candidate Steve Lonnegan, who would have only exacerbated partisan discord in Washington and emboldened the obstructionist wing of the Republican Party," the state's AFL-CIO said.

NAFTA: Los riesgos del comercio injusto

Por Javier Sierra

Expertos en comercio internacional de Estados Unidos, México y Canadá se reunieron para reflexionar sobre las consecuencias del Tratado de Libre Comercio de América del Norte (NAFTA) para los trabajadores, comunidades y el medio ambiente tras 20 años de su implementación.

El 1 de enero de 1994 fue el primer día de la implementación del tratado, y casi 20 años más tarde, las comunidades siguen sufriendo sus consecuencias.

"Hacen falta cambios verdaderos", dijo Alejandro Villamar, analista de política comercial de la Red Mexicana de Acción Frente al Libre Comercio (RMALC). "Veinte años de abandono de los temas medioambientales y las regalías a los inversionistas otorgadas por NAFTA son ahora insostenibles e inaceptables".

Desde la firma de NAFTA, las emisiones de gases de calentamiento global se han incrementado en un asombroso 67.1% en México, un 13.3% en Estados Unidos y un 23% en Canadá.

"Casi 20 años de NAFTA y la evidencia es clara", dijo Ilana Solomon, directora del Programa de Comercio Responsable del Sierra Club. "NAFTA trajo una expansión de la deforestación y el uso no sustentable del agua para apoyar la agricultura de exportación. Le otorgó enormes poderes a las corporaciones para confrontar salvaguardas medioambientales y climáticas en tribunales privados. Expandió la exportación de

sucios combustibles fósiles en una era en la que debemos apartarnos de estos combustibles y avanzar hacia una economía de energía limpia. Los gobiernos deben aprender de la historia y abandonar la negociación de tratados que destruyen las protecciones de nuestros trabajadores, del agua, el aire y la tierra y nuestras comunidades en general".

"Cuando Estados Unidos, Canadá y México firmaron NAFTA, las protecciones medioambientales quedaron oscurecidas por las verdaderas metas de los acuerdos de ilimitado crecimiento corporativo", dijo Stuart Trew, especialista en comercio de The Council of Canadians. "Veinte años más tarde, está claro que las corporaciones norteamericanas no tenían nada de qué preocuparse. Y de remate, el actual gobierno canadiense ha desmantelado leyes medioambientales para atraer a nuevos inversionistas al petróleo bituminoso, el gas de esquisto y otros proyectos mineros contaminantes, los cuales también están supuestamente prohibidos por NAFTA".

"Veinte años más tarde, NAFTA continúa decepcionando a los trabajadores de los tres países" dijo Cathy Feingold, directora del Departamento Internacional del sindicato AFL-CIO. "En lugar de incrementar el empleo, el pacto causó significativas pérdidas en Estados Unidos y constantes ataques contra los derechos laborales, además del estancamiento salarial y la degradación laboral en los tres países".

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