



Ohio House of Representatives  
 Economic and Workforce Development Committee  
 House Bill 343  
 Testimony of Lisa Hamler-Fugitt, Executive Director  
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December 2, 2015

Good morning Chairwomen Baker, Vice Chair Romanchuk, Ranking Member Smith and members of the Economic and Workforce Development Committee. My name is Lisa Hamler-Fugitt and I serve as the Executive Director of the Ohio Association of Foodbanks, Ohio's largest charitable response to hunger. We represent Ohio's 12 Feeding America foodbanks and 3,300 member hunger relief charities, including food pantries, soup kitchens, and homeless shelters. Our mission is to provide food and other resources to people in need and to pursue areas of common interest for the benefit of people in need.

Last year, our statewide hunger relief network distributed 197 million pounds of food – or about 164 million meals – feeding more than 2 million low-income Ohioans – 1 in 6 of our friends and neighbors. I want to thank each and every one of you for your



generous support of our efforts and for the funding you provided in HB 64, in support of two critical hunger life lines, the Ohio Food and Agricultural Clearance Programs – which provided more than 40 million pounds of the food we distributed.

The association also is the home of [The Ohio Benefit Bank™](#) (OBB™) and serves as the lead organization for the federal Navigator grant from the Centers for Medicare and Medicaid Services, connecting Ohioans to health insurance through the federally-facilitated Health Insurance Marketplace.

Demand for help from our statewide network has risen 40 percent from 2010 to 2014. That shocking figure comes from the recent [Hunger in Ohio 2014 study](#), conducted every four years and part of the largest study of its kind in the nation. Recent media reports tell the story about how jobs have returned, but hunger remains a problem in Ohio. And in September, the USDA, Economic Research Service released the 2014 Household Food Security study that found Ohio's food insecurity rate is now 16.9%, ranking Ohio sixth nationally for the highest rate of food insecurity behind only Mississippi, Arkansas, Louisiana, Kentucky and Texas.

All while the state's official unemployment rate drops. This official unemployment rate is no longer an indicator of poverty, hunger or food insecurity. It's no longer an indicator of the health of our citizens, community, state or nation.

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These historically significant statistics and grim realities are the reason why I'm here today to present testimony on H.B. 343 and to share with you the concerns that we hear from the low-income Ohioans who stand in our food lines. Their stories are often the same, about how they struggle every day just trying to get by on low wage, part-time, temporary, and contingent employment, dead-end jobs that provide no access to employer sponsored health insurance, no paid sick or vacation time, no paid time off, no opportunity to save for retirement, no job security, and more often than not – empty promises.

**2014 POVERTY RATE: 15.8%**  
**2014 FOOD INSECURITY RATE: 16.9%**  
**OCTOBER 2015 UNEMPLOYMENT RATE: 4.2%**

Make no mistake, we support work and know that the best way to keep someone out of our food lines is with a good job that pays enough to support a household at a basic level. Yet half of the households we serve have at least one member that has been employed in the past year, although 46 percent of those households report that the longest-employed person in their household worked part-time. And it certainly can't all be blamed on lack of training or skills. Forty-one percent of households we serve have at least one adult member with education beyond high school, including those with a business, trade, or technical license or certificate, some college, and those with two or four-year college degrees. The full-time jobs that paid living wages and provided benefits have been replaced by part-time, often temporary low-wage jobs that just aren't cutting it for Ohio families.

**“THERE ARE A LOT OF PERVERSE INCENTIVES FOR EMPLOYERS TO USE TEMPS.”**

*Erin Hatton, Professor of Sociology (NBC News Story 4/20/14)*

When full-time, permanent employment is not available, Ohioans are forced to turn to temporary staffing agencies, which pay lower wages and do not provide benefits or any type of job security. The chart below details that 9 of the state's 50 largest employers with workers on public assistance (receiving Food Stamps/SNAP benefits) were staffing agencies, representing 18% of the companies. The Food Stamps/SNAP program has the lowest eligibility thresholds of all benefit programs, meaning a household's net income cannot exceed 100% of the Federal Poverty Level or no more than \$24,250 for a family of four.

As an operations manager for a temporary staffing agency was quoted in a [recent article in the Journal-News](#), “If you're using a temporary employee, you're not paying benefits like you would have to if you had a full-time employee. You're not paying the worker's comp, the state and local taxes on that employee, unemployment, any of that.” So what does that look like for workers who can only find paid employment through temporary agencies? We've had an up-close look, and our findings demonstrate a complete lack of opportunity for long-term job security and liveable wages for temporary workers.

**Ohio's largest employers with number of workers and families receiving public assistance (Food aid/SNAP)**

WALMART	13629	GIANT EAGLE	1532
MCDONALDS	12387	YMCA	1532
KROGER	5325	ARAMARK FOOD, FACIL, UNIFORM	1531
WENDY'S	4772	MARC GLASSMAN STORES	1369
BOB EVANS	4297	I FORCE	1366
BURGER KING	3410	WALGREENS	1365
SPEEDWAY	3360	KOHL'S	1305
GOODWILL	3100	UNIVERSITY HOSPITALS	1293
DOLLAR GENERAL	3074	JC PENNEY	1281
TACO BELL	3003	CIRCLE K STORES	1276
SUBWAY	2693	MANCAN	1272
FAMILY DOLLAR	2368	CRACKER BARREL	1270
TARGET	2183	KMART	1269
CBS/EMS	1816	FRISCH'S	1237
MEIJER	1814	CVS STORES	1207
LOWE'S	1802	KENTUCKY FRIED CHICKEN	1207
ADECCO	1799	FEDEX CORP	1175
HOME DEPOT	1786	BELCAN SERVICE & STAFFING	1163
INTERIM HEALTH CARE	1696	SPHERION	1139
ARBY'S	1662	KELLY SERVICES	1118
INDEPENDENT VOLUNTEER HOURS	1660	MACY'S	1117
PIZZA HUT	1645	APPLEBEE'S	1104
CLEVELAND CLINIC	1634	INFOCISION	1094
DOLLAR TREE STORE	1609	STAFFMARK	1065
SEARS	1579	STEAK N SHAKE	1058

For almost two years, the Ohio Association of Foodbanks has been assisting able-bodied adults without dependents (ABAWDs) receiving Supplemental Nutrition Assistance Program (SNAP) benefits in Franklin County with meeting the federal work requirement to maintain their Food Stamp/SNAP benefits as part of an ongoing partnership with the Franklin County Department of Job and Family Services. The association has been able to grow this Work Experience Program (WEP), offering more services and resources to ABAWDs in need. WEP provides work experience and job training for participants who are currently unemployed or underemployed, as a means to enhance their ability to secure sustainable employment.

Prior to assigning a client in a job placement within our network of partner nonprofit and faith-based organizations, the association meets with each ABAWD to perform an in-depth assessment. To date, we have assessed close to 5,000 individuals. [The data we have collected](#) through these assessments continue to reinforce what we have been able to identify as key barriers for many of our clients as they seek gainful employment.

A post participant follow-up study of a random sample of 247 clients that exited the program during a 6-month period found that 1 in 3 clients reported having taxable income. The second highest employment source for participants who exited our work experience program after securing paid employment was work from Temporary Agencies. The average length of employment was 79 days or 11.3 weeks, working an average of 29.49 hours per week at an average wage of \$10.23 per hour, representing income of just \$3,409.00.

Beyond these numbers, it's also [well-documented](#) that older workers are often being forced to rely on temporary work as a permanent way of life since coming out of layoffs and climbing out of unemployment during the Great Recession.

**“MANUFACTURING COMPANIES MAKE UP AROUND 40 PERCENT OF THE CURRENT DEMAND FOR TEMP WORKERS. IN THE GOVERNMENT DATA, YOU SEE THAT 17 PERCENT OF ASSEMBLY LINE WORKERS ARE HIRED THROUGH THE STAFFING INDUSTRY.”**

*Susan Houseman, senior economist, Upjohn Institute for Employment Research*

In closing, the trend of increasing numbers of low wage, temporary, part-time and contingent employment should be thoroughly examined by this committee and the entire Ohio General Assembly as it will have negative long-term implications for workers, their families, the economy and Ohio's state budget.

It is for these reasons that we oppose HB 343 and strongly encourage this committee to refer HB 343 to the 2020 Tax Commission for further review and analysis. In addition, we recommend that this committee convene a study group and hold additional hearings to examine the impact of temporary and day labor employment services on low-income Ohio workers who are forced to rely on Medicaid, Food Stamps and child care assistance in order to meet their basic needs.

Thank you again for this opportunity to provide testimony and I would be pleased to answer any questions you may have at this time.

Respectively submitted,

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<http://www.policymattersohio.org/wp-content/uploads/2014/07/public-assistance-July-22.pdf>  
<http://ohiolmi.com/laus/ColorRateMap.pdf>  
[http://admin.ohiofoodbanks.org/uploads/news/Press\\_Release\\_-\\_Anti-Poverty\\_Groups\\_Respond\\_to\\_New\\_Ohio\\_Poverty\\_Data.pdf](http://admin.ohiofoodbanks.org/uploads/news/Press_Release_-_Anti-Poverty_Groups_Respond_to_New_Ohio_Poverty_Data.pdf)  
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[http://admin.ohiofoodbanks.org/uploads/news/Press\\_Release\\_-\\_Hunger\\_Factors\\_Index\\_Released.pdf](http://admin.ohiofoodbanks.org/uploads/news/Press_Release_-_Hunger_Factors_Index_Released.pdf)  
<http://www.nbcnews.com/feature/in-plain-sight/many-americans-temp-work-becomes-permanent-way-life-n81071>



NAICS Code: 561320 - Temporary help services				NAICS Code: 561330 - Professional employer organizations			
Number of Establishments	All Employees	Total Wages (in thousands)	Average Annual Wage	Number of Establishments	All Employees	Total Wages (in thousands)	Average Annual Wage
1,221	128,045	\$1,840,778	\$14,376	404	17,728	\$459,684	\$25,930
1,279	110,315	\$1,601,097	\$14,514	455	19,717	\$510,411	\$25,887
1,360	105,192	\$1,648,956	\$15,676	506	20,384	\$557,867	\$27,368
1,458	104,875	\$1,700,820	\$16,218	528	18,482	\$551,763	\$29,854
1,351	112,368	\$1,884,370	\$16,770	565	21,156	\$630,164	\$29,786
1,371	108,984	\$1,830,938	\$16,800	599	27,664	\$811,512	\$29,335
1,455	109,596	\$1,955,329	\$17,841	789	28,384	\$889,647	\$31,343
1,512	109,568	\$2,136,329	\$19,498	690	23,988	\$816,738	\$34,048
1,579	100,661	\$2,077,659	\$20,640	679	24,607	\$823,603	\$33,470
1,460	73,757	\$1,571,107	\$21,301	637	21,456	\$720,264	\$33,570
1,421	87,507	\$1,878,577	\$21,468	698	17,928	\$608,232	\$33,927
1,473	98,889	\$2,155,360	\$21,796	733	18,022	\$654,270	\$36,303
1,570	105,466	\$2,374,044	\$22,510	744	17,323	\$651,694	\$37,620
1,673	108,305	\$2,547,927	\$23,525	724	16,625	\$634,504	\$38,165
1,702	117,231	\$2,852,698	\$24,334	742	12,273	\$498,277	\$40,599