



## Episode Seven: Not Just a Paycheck

**THE MYSTERY:** When a Swedish-owned company closed manufacturing plants in Greenville, Michigan, and Vastervik, Sweden, why did the health of Greenville residents quickly deteriorate while health outcomes in Vastervik remained steady?

### THEMES:

1. Layoffs, unemployment, and job insecurity have a negative effect on health.
2. Public policies that provide a social safety net can buffer unemployed workers and their families from economic disruptions and uncertainties that affect health.
3. Societies that take a “we’re all in this together” approach to policy have better health outcomes than those that leave individuals and communities to fend for themselves.

### COMPREHENSION QUESTIONS:

- Why did Electrolux close its Greenville and Vastervik plants? What was the impact on workers in each community? How did they cope?
- Why is unemployment in the U.S. associated with higher rates of stroke, heart and kidney disease, alcohol abuse, suicide, and homicide? How did the caseload at the local hospital change in the year after the Greenville plant closed? How many “excess deaths” does Professor Harvey Brenner predict Greenville will see in the next 10 years due to the Electrolux shutdown and increase in unemployment?
- Psychologist Rick Price says: “Involuntary job loss isn’t just something that affects a particular individual who suddenly has to find a new job, because it ripples through whole families and communities.” Give examples from the film of the ripple effect Price describes, for different health outcomes and who is affected.
- Former Swedish Minister of Industry Thomas Östros says, “Unemployment is very bad for individuals. You lose your connection to society, you lose your democratic empowerment.” What does he mean? Provide examples from the film that illustrate this.
  - What protections does Sweden provide for its workers that soften the impact of job loss on individuals and communities? What about the U.S.?
  - What are some of the other resources and opportunities the Swedish government makes available to everyone – rich or poor – that we don’t have here in the U.S.?
  - How do Swedes pay for these programs?

- Reverend Jerry Jones says, “There’s a growing chasm between the haves and the have-nots.” How does wealth inequality in the U.S. compare with that of other countries? What are the social and economic forces that have contributed to the widening wealth gap in America? What is the effect on health?
- What role did unions in Sweden play in negotiating reparations for Electrolux workers there? What about in the U.S.? What income supports were available to laid-off workers in Greenville? What kinds of losses do they stand to face?

## DISCUSSION QUESTIONS:

- What responsibility do we have to help people who have suffered a job loss? What policies might prevent health from deteriorating in these situations? What can and should government do to improve job security and protect workers and communities from the sudden shifts of capital?
- Gary White (32 years at the plant) says: “You can’t even find a job at a third of what I was making before.” What options exist for people like Gary, whose entire work lives have been spent with one company? What obligation does a company owe to its long-term employees? What role can the government or unions play in ensuring this is met?
- What would you do if, like Sandy Beck, your income suddenly dropped by two-thirds and you lost all your benefits? What sacrifices would you have to make?
  - How different would it be if we had social protections like universal health care, secure pensions, job training and placement assistance, 80% unemployment pay, income supports for families, paid parental leave, and universal childcare?
  - Would you be willing to pay 20% more of your income, like the Swedes do, to have all those benefits guaranteed to you?
- The wealth of most middle-class Americans is tied to the value of their homes. What happens to wealth in towns like Greenville when companies close plants?
  - Who benefits when property values decline?
  - As property values drop, how will the community be impacted?
  - How does our wealth affect our children’s opportunities for the future?
  - How might income and wealth affect what resources one can tap to help cope with a highly stressful event like losing a job?
- When Electrolux closed its factory in Vastervik, it had to compensate the community as well as workers. Greenville received nothing. Should companies that move factories be required to pay individuals and communities? If so, what



would it take to make that happen? What kind of changes in law and power might hold corporations more accountable to stakeholders like communities and employees? How might such changes impact business practices?

- What factors go into a company's decision to shut down a plant and move somewhere else, especially overseas? Do you know of situations where a corporation threatened to leave or shut down if employees or the local or state government didn't provide concessions? What effect might such job insecurity have on the health of workers?
- In Sweden and many other European countries most workers belong to unions which provide workers more power and a bigger say not just on the job but in government decision making. Why has union membership declined in the U.S.? What factors in the U.S. affect the power and effectiveness of unions? How can U.S. workers gain more control over the terms and conditions of their jobs? What about communities?
- Electrolux moved its Greenville facility to Mexico so that it could cut labor costs and increase its profit. U.S. workers paid the price. How do we protect communities from health threats posed by the chaos and uncertainty of free markets? Should corporations be "free" to shift capital anywhere in the world in search of the highest profit? We've imposed many restrictions on corporate freedom over the years ranging from minimum wage laws to environmental standards. Should the movement of capital also be regulated? How?
- Researcher Richard Price says, "We live in an individualistic society. And we believe that people are individually and personally responsible for their own fate. We enact our laws that way. We create our social policy that way."
  - Do individuals determine their own fate? Should they? Why?
  - How does this frame of the "self-determining individual" shape the way we view the roles of government or corporations?
  - How does it impact our ability to work collectively to improve conditions for health?
  - What other core American values might we draw upon to push for different policies?
- Economic writer Jared Bernstein distinguishes between YOYO ("You're on Your Own") and WITT ("We're in this together") societies. What differentiates these two types? Why has the U.S. gone down the YOYO society path, unlike Sweden? Who gains and who loses in changing from a YOYO to a WITT society? How would strategies for social change be different than trying to repair the damage? How would power have to shift? What does that mean?

## SUGGESTED ACTIVITY: HOUSEHOLD BUDGET ADJUSTMENTS

### Part 1

In the program, laid-off workers found that unemployment payments or wages from available jobs cut their income by at least 50%. Assume that the earners in your household were laid off and your total household income was reduced by half.

1. Consider how these changes would affect:
  - Where you live
  - How you get where you need to go
  - What you typically eat
  - Your mental health
  - Your relationship with your partner or children
  - Your ability to pay off your mortgage and / or other debt
  - How this would affect “essentials” like Internet connection, cell phone usage
  - What you might do for entertainment or vacation
  - Prospects for your children’s future
  - Your ability to plan for retirement and old age
  - Your sense of hope for the future
2. After you have completed the activity, assess your stress level. Are you feeling more or less stressed (or anxious) than when you started?

### Part 2

Psychologist Rick Price also reminds us, “Involuntary job loss isn’t just something that affects a particular individual...it ripples through whole families and communities.”

3. Next, consider how these same changes would affect your community as a whole:
  - property values and home sales
  - the tax base
  - upkeep and maintenance of physical spaces
  - public services, libraries, community programs
  - schools and senior centers
  - crime and personal behaviors
  - business development and investment
  - sense of optimism and hope
4. Draw up a list of recommended social and economic policies that might protect you and your community from the chaos and uncertainty. Debate the pros and cons of each.

## WEB SITE TIPS:

**Interactivity:** What do healthy countries have in common? Explore **YOYO Health** to see how the U.S. compares internationally on key health indicators.

**Web-Exclusive Video:** See how **job loss and unemployment affect kids**.

## KEY REFERENCES:

Brenner, M Harvey. *Estimating the Effects of Economic Change on National Health and Social Well-Being: A Study*. A report of the United States Congress Joint Economic Committee, Subcommittee on Economic Goals and Intergovernmental Policy, 1984.

An excellent source of information on wealth distribution and the income gap is available at [www.inequality.org](http://www.inequality.org).

Marmot, Michael, G Davey Smith, S Stansfeld, et al. "Health Inequalities among British Civil Servants: The Whitehall II Study," *Lancet*, 1991.

Marmot, Michael. *The Status Syndrome: How Social Standing Affects Our Health and Longevity*. NY: Henry Holt, 2004.

Mishel, Lawrence (ed), Jared Bernstein and Sylvia Allegretto. *The State of Working America 2006/2007*. Ithaca, NY: Cornell University Press: 2006.

Dr. Richard Price, who is featured in the program, directs The University of Michigan Prevention Research Center. A variety of research papers related to the health consequences of unemployment are available for download from the Center's Web site: [www.isr.umich.edu/src/seh/mprc/public.html](http://www.isr.umich.edu/src/seh/mprc/public.html)

The United for a Fair Economy Web site ([www.faireconomy.org](http://www.faireconomy.org)) includes a variety of resources on economic democracy and justice.

### From the film:

- In 2006, Electrolux workers in Michigan earned \$15 an hour plus benefits. Electrolux's Mexican workers earn \$1.57 an hour plus bus fare and lunch.
- In 2004, the Greenville hospital treated 80 cases of depression, attempted suicide, and domestic abuse. The year after the plant closing, that number nearly tripled.
- Economist Harvey Brenner predicts that the Electrolux closing will result in 135 "excess deaths" in the Greenville area over 10 years.
- In 1965, one-third of the jobs in the U.S. were manufacturing jobs. Today, under 13% of U.S. jobs are manufacturing jobs.
- The top 1% of Americans hold more wealth than the bottom 90% combined.
- CEOs earn more than 250 times the average worker's pay.