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## Income-constrained workers must 'make it stretch'



"We have to do with what we have and make it stretch." — Randy Baker, production worker, Detroit Chassis LLC

**There's no quick trajectory for earnings growth with the state's fastest-growing job openings in low-skilled, low-wage industries.**

By [Lindsay VanHulle](#)

Before the recession, Randy Baker was a supervisor at a cleaning company in charge of maintaining two glass office towers in Southfield.

His position was cut as the company downsized — partly, Baker says, because fewer office tenants were leasing space. A widowed father of a teenage son and daughter and now unemployed, Baker still had to keep up with mortgage payments on the family's home in Eastpointe and other related bills.

About 10 months ago, he found a job as a production worker at **Detroit Chassis LLC**, which makes motor home and RV frames as a subsidiary of Detroit-based **SPECTRA LMP LLC**. Baker earns \$13.50 an hour on a 40-hour work week to move chassis between assembly lines and install gas lines. His full-time schedule also earns him medical benefits.

Yet Baker, 51, says he continues to find himself stretched thin financially. He is an example of ALICE — a phrase adopted by **United Way** organizations across the county to highlight the precarious financial existence of people who are "asset-limited, income-constrained but employed."

"I'm blessed to be making that and it helps tremendously, but it's still a struggle," Baker said of his current wage, which works out to gross annual earnings of about \$28,080 on 40 hours per week. "We have to do with what we have and make it stretch."

A conundrum on low-income workers, according to Michigan's ALICE report, is that they often are paid far less than what they need to make ends meet — and the state's fastest-growing job openings are in low-skilled, low-wage industries, meaning no quick trajectory for earnings growth for many like Baker.

Jeanine Dotson, who works a day shift on the line at **Detroit Manufacturing Systems LLC**, says her company's membership in what's known as an employer resource network — an entity that pools resources to help employees at multiple organizations navigate employee workforce issues — has allowed her to receive bus fare and, now that she bought a vehicle, a \$50 gas card every two weeks for her roughly 20-minute commute.

To resolve transportation issues — often the biggest reasons for absenteeism and turnover — Dotson said she also has received financial help to cover a portion of vehicle repairs, work clothes and shoes.

At \$11 per hour for 40 hours of work, Dotson, 40, says she makes too much to qualify for state assistance but "it can be tricky" to live paycheck to paycheck. Her cable recently was shut off after she fell behind on bill payments.

"You can see the money, but it's still not enough," said Dotson, a Detroit resident who is renting her own place for the first time after always splitting rent with roommates. Detroit Chassis, where Baker works, splits the cost of a caseworker with Detroit Manufacturing Systems and two other companies.

Baker said he receives a gas card that lasts two weeks, as well as uniforms and boots for work.

A financial coach told him he has good credit and encouraged him to pay extra on his mortgage per month in order to pay it off early. It's a good idea, he said, but difficult to accomplish when most of his paycheck goes out immediately to other bills.

"It just gives you a goal as far as, 'This is what I can do when I start making more or get a second or a third job,' " said Baker, who added that the program helps him feel optimistic that he will be able to move up the financial ladder.

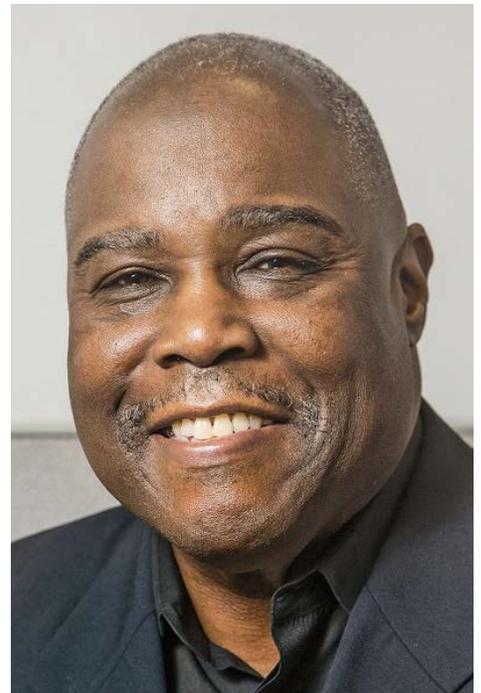
His caseworkers make him believe it's possible, too.

"You can see it on their faces. You can see it on their actions," Baker said. "They really care about the individual."

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Detroit Chassis helps pay for Goodwill caseworker Keith Bennett (pictured) to help workers like Randy Baker.