

Prichard, Alabama: 14 deaths follow pension cutoff

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Prichard, Alabama, an industrial town near Mobile that is home to 28,000, has attracted national media attention for non-payment of pension obligations to 147 retired city employees, 14 of whom have died since their checks stopped coming in September, 2009.

The surviving former pensioners find themselves in dire poverty, with a median age of 76 and the worst job market since the Great Depression.

Sixty-six year-old Alfred Arnold, a retired firefighter—Prichard's first black firefighter—told CBS News that he felt lucky to find work as a mall security guard in nearby Mobile after his pension checks abruptly stopped. His wife, Jackie, is in the same situation, as a retired city police officer with an unfunded pension.

Charles Kennedy, a 67-year-old police captain with a history of serious heart problems, reported that he had to keep working after reaching retirement age, no matter the risks to his health. Similar horror stories abound, with many of the affected retirees unable to work at all due to medical conditions.

Prichard's defunct pension fund owes a total of \$2.5 million in back payments to the retirees. During the 1960s and 1970s, Prichard was the fastest growing city in Alabama, reaching a population of 45,000. In the 1980s, key employers, an International Paper mill and an Air Force base, closed down, leaving the local economy in ruin.

The city declared bankruptcy in 1999. A decade later, Prichard is a picture of social misery, falling well below the national average in per capita income and well above the national average for families and individuals living below the official poverty line.

Former city employees have filed a lawsuit to enforce the terms of their pensions. The case is headed for a mediated settlement, where retirees are being asked to

accept a compromise of one-third of what they are actually owed. Many of the pensioners are likely to accept the deal. Certainly, the city has a superior bargaining position, with its opponents literally induced into settlement by hunger.

So far, the city has been able to avoid paying anything at all to its retired workers. This has caught the attention of larger municipalities like Chicago, Philadelphia and San Diego, whose governments would happily gut their own pension obligations.

Public employee pension funds in the United States collectively face a \$3 trillion gap between what is owed to pensioners and what has been set aside. Many state and local governments are preparing to default on their obligations either wholly or in part.

The state of Maryland is eyeing a proposal to raise the retirement age for newly hired state workers. Colorado, Minnesota and South Dakota have reduced benefit payments to current recipients by not adjusting payments for cost of living increases, prompting lawsuits in all three states by pensioners.

The unpaid retirees in Prichard have broad support within the community, with local residents running food drives, bake sales and otherwise raising money to help the retirees survive. But with 14 deaths having already occurred as a direct result of being cut off from their retirement, it is clear that such aid is grossly insufficient.

The plight of Prichard's retired workers is of a piece with the declining social position of the working class on both a national and international level. The ruling elite in the United States, the epicenter of the global financial crisis, has been as brazen as any of its counterparts in forcing all the consequences of its criminality onto the backs of working people. Public sector workers increasingly find themselves in the

crosshairs of not only their state legislatures, but of the national media as well.

Conditions for Prichard's retirees give the lie to the claims that public sector workers live in luxury through "entitlements" such as pension plans. The death of 14 retirees, while over 130 others remain in poverty and uncertainty, is a damning indictment of social conditions for American workers.



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