

Low-Wage Workers and Health Care

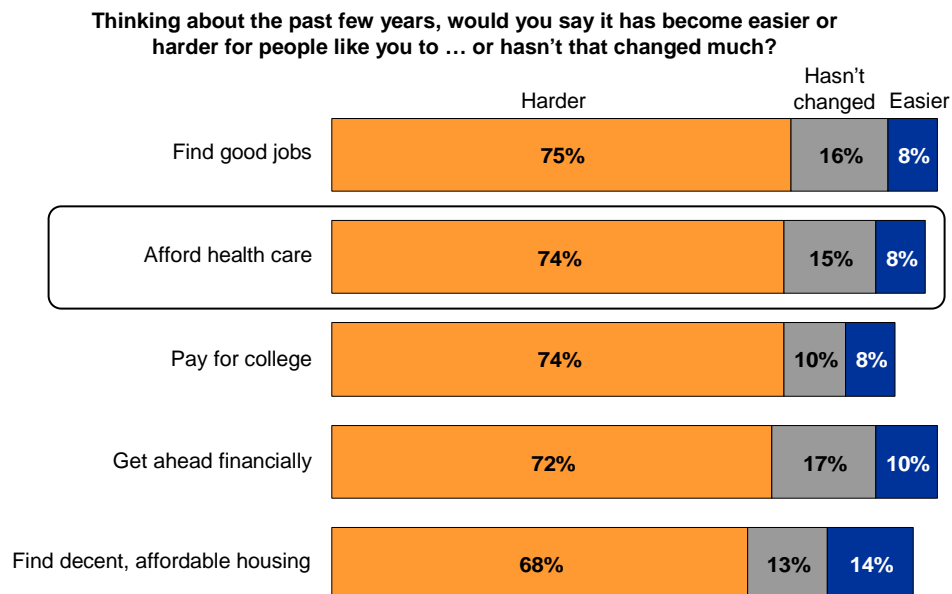
This close look at America's low-wage workers and their experiences paying for and accessing health care is based on a special analysis of the recently released *Washington Post/Kaiser Family Foundation/Harvard University Survey of Low-Wage Workers*, a project whose goal is to focus on the experiences and challenges facing the lowest paid members of the American workforce. For the purposes of the project, low-wage workers were defined as adults ages 18 to 64 working at least 30 hours per week, not self-employed, and earning \$27,000 or less in 2007, an income cutoff which roughly corresponds to being in the bottom 40 percent of the wage distribution. These low-wage workers account for nearly one-quarter of all U.S. adults. It is important to note that this survey was fielded before the onset of the worst of the recent financial crisis, so the problems reflected here are likely to be even more severe now.

As a group, low-wage workers stand out as younger, less likely to be married or to own a home. They are disproportionately members of racial and ethnic minority groups – overall, 57 percent are white, 21 percent are Latino and 14 percent are African American. Many of them do not just earn a low wage themselves, they also live in relatively poor households. Fully half (49 percent) report living in a low-income household.¹ Some low-wage workers live in more financially secure households: just over one in ten (13 percent) are in a family making over 400 percent the federal poverty level. No one age group among low-wage workers stood as more likely to be in a more financially secure household, though those with a college education were more likely to be in a higher earning household than those without a degree.

Financial life getting harder for low-wage workers

When it comes to affording the things they need, including health care, the large majority of low-wage workers say life has been getting harder in recent years. Fully three in four say it is getting harder to find good jobs, harder to afford health care, and harder to afford higher education. Nearly as many say it is getting harder to get ahead financially in general, and harder to find “decent, affordable housing.”

Financial Life Getting Harder



Source: *Washington Post/Kaiser Family Foundation/Harvard University Survey of Low-Wage Workers* (conducted June 18-July 7, 2008)

¹ Low-income household defined as one making less than 200 percent of the federal poverty level.

Majority have difficulty paying for health care and health insurance

Turning to the present day, it is clear that paying for health care and health insurance is one of the most difficult tasks facing this group, with six in ten (62 percent) saying it is “very” or “somewhat” difficult to pay for the services they need. Overall, health care came in fourth among a list of nine important financial obligations facing most low-wage workers. If you exclude the two items which are future oriented, however – saving money for college and retirement – and focus on present day needs, health care ranks second behind paying for gasoline, which fully eight in ten (81 percent) low-wage workers find difficult.

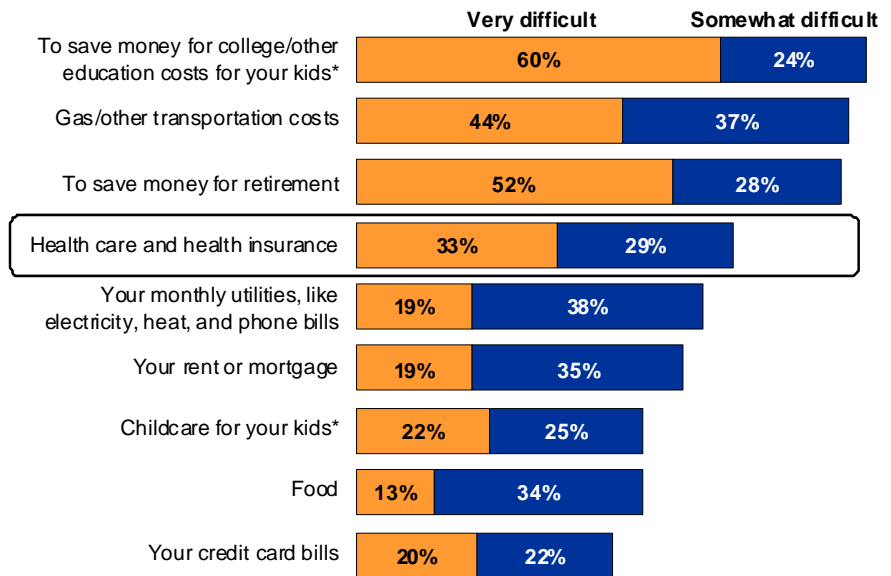
This difficulty paying for health care has real world consequences: Fully half (51 percent) of low-wage workers say that they or someone in their family have postponed medical or dental care sometime in the past year in order to make ends meet.

All aspects of this situation are, of course, exacerbated for the 27 percent of low wage workers who don’t have health insurance as well as for those who live in low-income households. Among the uninsured, 85 percent say that it is hard for them to afford health care and health insurance, and 64 percent said they or someone in their family had postponed needed care.

Low-wage workers who live in low-income households also face disproportionately large challenges on every front. For example, 72 percent of those in low-income households say it is difficult for them to afford health care and health insurance, compared to 51 percent of other low-wage workers.

Difficulty Affording Everyday Expenses

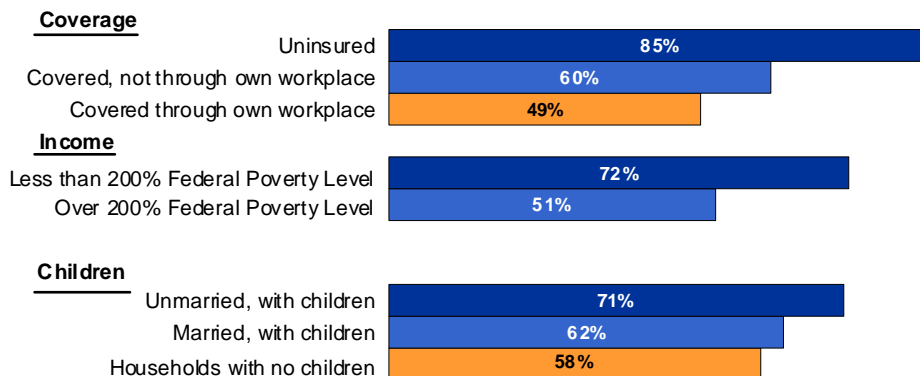
Percent of low-wage workers who say each is “very” or “somewhat” difficult to afford:



*Note: data based on those who say they have children under 18 living at home
Source: Washington Post/Kaiser Family Foundation/Harvard University Survey of Low-Wage Workers (conducted June 18-July 7, 2008)

Difficulty Affording Health Care, by Selected Characteristics

Percent of low-wage workers in each group who say it is “very” or “somewhat” difficult for them to afford health care and health insurance:



Source: Washington Post/Kaiser Family Foundation/Harvard University Survey of Low-Wage Workers (conducted June 18-July 7, 2008)

It’s worth noting that even though paying for health care is a more widespread problem among those low-wage workers without health insurance, it remains a fairly prominent problem even among those who *do* have coverage. Half of those who get health insurance through their employer say they have a hard time affording care and coverage, and an even larger percentage (60 percent) of those who get insurance through another source say it is difficult for them.

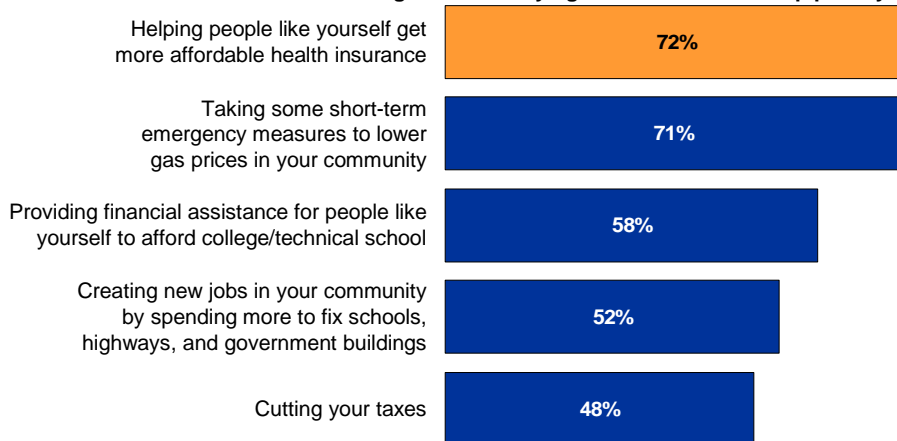
Help with health coverage tops workers' list of priorities for government

Given the extent to which low-wage workers, even those with insurance, are having problems paying for health care, it is perhaps not surprising that getting help with this issue is at the top of their list of priorities for the federal government. Asked about a list of things “the government might do to try to improve people’s financial situation,” 72 percent said that “helping people like yourself get more affordable health insurance” was a top priority, followed closely by 71 percent who said lowering gas prices should be a top priority.

Priorities for the Government

I'm going to read you a list of things the government might do to try to improve people's financial situation. For each, please tell me if the item should be a top priority for the government, an important but lower priority, not too important, or not a priority.

Percent of low-wage workers saying each should be a “top priority”:



Source: Washington Post/Kaiser Family Foundation/Harvard University Survey of Low-Wage Workers (conducted June 18-July 7, 2008)

Seven in ten say they are offered health insurance at work; Four in ten take it

Seven in ten low-wage workers report being offered health insurance through their jobs, while three in ten say they are not offered coverage. One of the primary factors associated with low-wage workers reporting having been offered employer-based health insurance is the size of their employer. The majority of those working in smaller businesses – those with under 25 employees – report that they do not have coverage offered. The majority of those working in businesses with more than 25 employees do.

Employer offers health insurance?	All	Size of firm			
		< 25	25-99	100-999	1000 +
Yes	69%	35%	71%	83%	88%
No	30	63	28	16	12

In some ways, those who most need health insurance are the least likely to be offered it by their employers. The poorest workers are also the least likely income group to be offered health insurance at work. Among those living in households making less than 100 percent of the federal poverty level, only half are offered health insurance by their employer, compared to eight in ten of those in households making at least 200 percent of the poverty level. Single parents, too, are significantly less likely than either married parents or those without children at home to be offered health insurance (56 percent are, compared to 73 percent of the latter two groups).

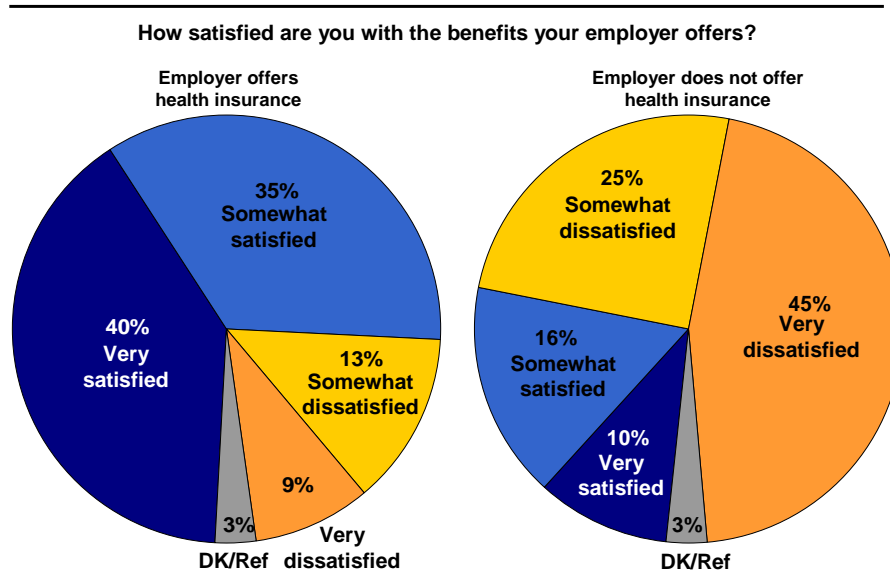
Not every low-wage worker offered health coverage through their job takes it. Overall, four in ten participate in an employer-sponsored plan, and just over a quarter are offered health insurance but do not take it through their employer. The main reasons the latter group do not take insurance: because they already have it (13 percent), and because it is too expensive, even with the employer subsidy (8 percent). Less than 1 percent say the reason they don't participate in their workplace insurance plan is because they don't need it.

Yes, employer offers health insurance (net)	69%
Participate	41
Do not participate	27
Because I already have insurance	13
Because I would have to pay too much	8
Because I don't think I need insurance	*
Some other reason	5
Don't know/Refused	1
No, my employer does not offer health insurance	30
Don't know	1
Refused	1

* indicates less than 0.5%

Those who are offered health insurance through their jobs are much more satisfied with their workplace benefits in general. Overall, six in ten low-wage workers say they are at least somewhat satisfied with the benefits they receive at work. Among those who are offered health care coverage, however, 75 percent are at least somewhat satisfied with their benefits package, compared to only 26 percent of those who are not offered health insurance. The survey suggests this may be due not only to employees satisfaction with having access to health care coverage, but to the fact that employers who offer health insurance are also more likely to offer paid sick leave, paid vacation and a retirement plan.

Satisfaction with Employer Benefits



Source: Washington Post/Kaiser Family Foundation/Harvard University Survey of Low-Wage Workers (conducted June 18-July 7, 2008)

In any case, it is clear that many low-wage workers put a significant value on being offered health insurance by their employers. Most say they would rather have a job with lower pay and health insurance than a job with higher pay but no health benefits.

If you had to choose between a job with better pay but no health insurance, or a job with health insurance but lower pay, which would you choose?

Job with better pay but no health insurance	39%
Job with health insurance but lower pay	56
No answer	5

Just over half (54 percent) of low-wage workers report that their employer offers them paid sick leave. As was true with health insurance availability, those who work for employers with at least 100 employees are more likely to report being offered paid sick leave (67 percent do), than those who work in medium or smaller companies (49 percent of those whose workplace numbers 25 to 99, and 35 percent of those who work somewhere with less than 25 employees). As was also true regarding health insurance, single parents with children at home are less likely to be in jobs where they are offered paid sick leave than married parents or those without younger children at home. Finally, those who work at a factory or construction site, and those who work in retail, are less likely than those who work in an office, school or hospital to be offered paid sick leave.

Roughly one in four low-wage workers report being uninsured

The survey found that 72 percent of low-wage workers report having some type of health insurance coverage, whether from their employer or from other sources, while 27 percent say they are uninsured. This compares to an uninsurance rate of roughly 20 percent among 19-64 year olds nationwide.²

As is true more broadly among the general public, Hispanic and African-American low-wage workers are more likely to report being uninsured than white low-wage workers. Fully 41 percent of Hispanics in this group report being uninsured, compared to 31 percent of African Americans and 20 percent of whites. As was true in terms of being offered insurance through their jobs, the poorest workers are also the ones least likely to report having health insurance. Those with less education are also more likely to report being uninsured. Those who are union members or have a union member in their households (representing about 11 percent of low-wage workers) are somewhat more likely than those in non-union households to report having coverage (89 percent do, compared to 70 percent in non-union households).

Half of those low-wage workers with children under 18 at home, and a quarter of the low-wage worker population overall, have at least one child in the house getting health insurance through Medicaid or their state's children's health insurance program.

Methodology

The Washington Post/Kaiser Family Foundation/Harvard University Survey Project is a three-way partnership and an experiment in combining survey research and reporting to better inform the public. The *Survey of Low-Wage Workers*, the 17th in this partnership series, was conducted by telephone from June 18 to July 7, 2008 among 1,350 randomly selected low-wage workers nationwide. Low-wage workers were defined as adults ages 18 to 64 working at least 30 hours per week, not self-employed, and earning \$27,000 or less in 2007 (this income cutoff was chosen as it roughly corresponds to the bottom 40 percent of the wage distribution). Interviews were conducted in English and Spanish via landline telephone (1,200) as well as via cell phone (150). Results are weighted to ensure the data are reflective of the demographics of the nation's low-wage worker population. The margin of sampling error based on the total sample is plus or minus 4 percentage points. Percentages may not add to 100% due to rounding. Telephone interviews were carried out by Abt SRBI Inc.

Representatives of *The Washington Post*, the Henry J. Kaiser Family Foundation, and Harvard University worked together to develop the survey questionnaire and analyze the results. Each organization bears the sole responsibility for the work that appears under its name. The project team included Jon Cohen, *The Washington Post* director of polling and Jennifer Agiesta, polling analyst; Drew E. Altman, president of the Kaiser Family Foundation, Mollyann Brodie, vice president and director of public opinion and survey research, Elizabeth Hamel and Claudia Deane, associate directors, Carolina Gutiérrez, survey analyst, and Sasha Buscho, research assistant; and Robert J. Blendon, professor of health policy and political analysis at the Harvard School of Public Health and the John F. Kennedy School of Government, and John M. Benson, managing director of the Harvard Opinion Research Program in the Harvard School of Public Health.

² Urban Institute and Kaiser Commission on Medicaid and the Uninsured estimates based on the Census Bureau's March 2006 and 2007 *Current Population Survey* (CPS: Annual Social and Economic Supplements).