



## NEWS RELEASE

Embargoed for release:  
12:01 a.m., Wednesday,  
October 6, 2004

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### **U.S. LABOR FORCE SHARPLY DIVIDED: MORE THAN HALF OF LOW-WAGE WORKERS LACK HEALTH BENEFITS OR PAID SICK LEAVE**

*Low-Wage Workers Most At Risk for Health, Access,  
and Medical Bill Problems and Lack of Preventive Care;  
One-Third of Low-Wage Workers Report Health Problems*

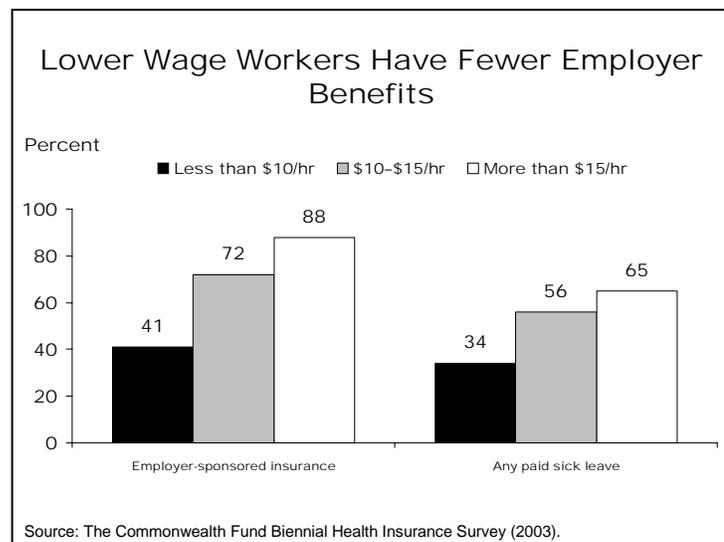
New York City, October 6, 2004—The sharp divide in the American workforce between low-wage workers who also lack health benefits and those with higher wages and health benefits affects not only the economic security of millions of workers, but affects their access to essential health care as well, reveals a new report from The Commonwealth Fund.

Low- and moderate-wage workers—those earning less than \$15 an hour (about \$30,000 a year for a full-time worker) are more likely to lack health insurance coverage through their employers and are also more likely to lack other benefits such as paid sick days, leaving them even more vulnerable to economic and health problems. If these low-wage workers without sick leave do seek health care, they lose pay for taking time off from work for a doctor visit. But if they are too sick to work, they also lose pay. The situation contributes to lower rates of health care access and poorer health status for low-wage workers.

“We often focus on the cost of providing affordable health insurance coverage and ensuring access to health care for workers and families, but rarely consider the price of failing to help workers stay healthy and productive,” said Commonwealth Fund President Karen Davis.

In *Wages, Health Benefits, and Workers' Health*, Sara Collins and colleagues at The Commonwealth Fund find that just over one-third

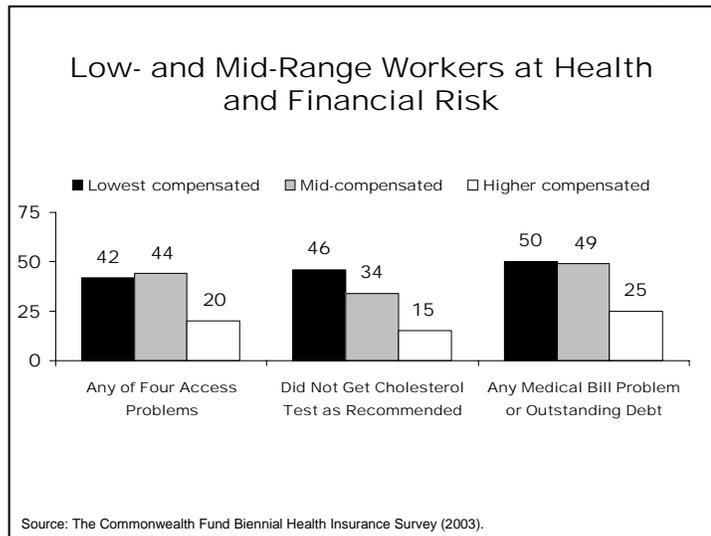
(37%) of full- or part-time workers, excluding those who are self-employed, earn more than \$15 an hour and have health insurance coverage all year.



Two of five workers in the lowest-compensated jobs experienced access problems, such as not filling a prescription or not seeing a doctor when sick, or skipping a test, treatment or follow-up test—double the rate of workers in the best compensated jobs (42% vs. 20%).

Lower-compensated workers are less likely than higher-compensated workers to have a regular doctor, or to have preventive screenings known to be important to health such as pap tests, prostate exams, and blood pressure and cholesterol checks. One-third (36%) of workers in the lowest-compensated jobs report they are in fair or poor health or that they have a chronic health condition, compared with one-fourth (24%) of workers in higher-compensated jobs.

Workers in low- and mid-compensated jobs also experience medical bill or debt problems at double the rate of higher-compensated workers—although even at the higher compensation range, one-fourth of workers experience health care financial burdens.



Other findings from the report, a new analysis of data from the Commonwealth Fund Biennial Health Insurance Survey include:

- Of workers with employer-sponsored coverage, three of five (61%) had a waiting period before coverage took effect; of those, nearly 70 percent had to wait 1-3 months and 16 percent four or more months.
- More than one-fifth (22%) of employees in the worst-compensated jobs spend five percent or more of their income on out-of-pocket health care costs, compared with five percent of those in the best-compensated jobs.
- Half (51%) of employees in the lowest-compensated jobs do not have paid sick leave and 64 percent cannot take paid time off to see a doctor.

“With numbers of uninsured Americans continuing to rise, we should be concerned about the future human and economic costs to workers and their families of neglecting their health needs today,” said Collins, senior program officer at the Commonwealth Fund and lead author on the report.

“Corporations and the U.S. economy depend on a healthy workforce to function at full capacity,” the authors say, adding that “Policy options to insure more equitable health insurance coverage of low-wage workers should be on the policy agenda.”