

BENEFIT

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Number Of Americans Lacking Health Insurance Down In 2007

Median income rose slightly, the number of Americans without health insurance coverage declined, and the poverty rate was roughly unchanged in 2007, according to an annual report released by the U.S. Census Bureau.

The report, "Income, Poverty, and Health Insurance Coverage in the United States: 2007," was compiled from data collected in the 2008 Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC).

The study found that 45.7 million Americans, or 15.3% of the population, were without health insurance coverage in 2007, down from 47 million people, or 15.8% of the population, in 2006. The number of uninsured children also fell, from 8.7 million, or 11.7% of the population,

in 2006 to 8.1 million, or 11% of the population, in 2007. At 11.4%, the Northeast and Midwest reported the lowest uninsured rates in 2007.

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By contrast, the 2007 uninsured rates were 16.9% in the West and 18.4% in the South.

Categorized by demographic groups, the report indicated that the percentage of non-Hispanic whites, Hispanics, and blacks who had no health care coverage declined slightly in 2007 compared with the previous year, but the percentage of Asians without health insurance increased to 16.8% in 2007, from 15.5% in 2006. The uninsured rate for native-born Americans fell to 12.7% in 2007, from 13.2% in 2006, while the uninsured rate among naturalized citizens increased over the same period and was statistically unchanged among non-citizens.

The analysis further showed that the poverty rate was 12.5% in 2007, statistically unchanged from the previ-



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ous year. Real median household income in the U.S. rose 1.3% from 2006 to 2007, reaching \$50,233. However, while real median income grew for black (\$33,916) and non-Hispanic white (\$54,920) households, it was statistically unchanged for Asians (\$66,103) and Hispanics (\$38,679). Real median household income was highest in the West (\$54,138), followed by the Northeast (\$52,274), the Midwest (\$50,277), and the South (\$46,186).

As measured by shares of aggregate household income by quintiles and the Gini index, income inequality was found to have decreased in 2007. The share of aggregate income received by households in the top quintile of income distribution declined, while the shares for the third and fourth quintiles increased. With “0” representing perfect income equality and “1” representing perfect inequality, the Gini index shifted from 0.470 in 2006 to 0.463 in 2007.

The ratio of earnings among women who worked full-time, year-round, was found to be 78% of that of corresponding men, with the real median earnings of men who worked full-time rising to \$45,113 in 2007, from \$43,460 in 2006, and the real median earnings of women increasing over the same period to \$35,102, from \$33,437.

Employers And Employees Face Challenges In Current Market

According to two parallel surveys of employees and employers conducted by staffing firm Robert Half International and recruitment website CareerBuilder.com, both workers and the companies that employ them are struggling to keep up in uncertain economic conditions. Employees are worried about finding good jobs, and managers are concerned about hiring qualified people.

The annual surveys of 500 hiring managers and more than 500 full-time rank-and-file workers showed that, while employees rated the difficulty of finding a job at 3.56 on a five-point scale, managers rated the challenge of finding highly skilled job candidates at 3.47.

When asked to identify their primary recruiting challenges, 59% of the managers surveyed in 2008 cited a shortage of qualified workers, up from 52% in 2007. Nearly two-thirds of managers reported that at least one-quarter of the people who contact them are not qualified, while 31% said that more than half of applicants are not qualified.

A significant number of managers also told researchers that rising energy costs have complicated their recruitment efforts, with 29% saying the rise in gas prices and commuting expenses has negatively affected their organization’s ability to attract skilled candidates who may wish to limit their commute to and from the workplace.

In addition, managers reported that filling positions can take anywhere from four to fourteen weeks, and that younger employees can be hardest to recruit, in part because of their high expectations regarding pay, career advancement, flexible schedules, and work environment. Yet, once they have identified qualified candidates, 65% of managers said they are willing to negotiate on compensation, with 19% saying they are very willing to negotiate.

When asked what measures they have taken in the last 12 months to retain valued employees, 63% of managers said they offer flexible work schedules, 62% said they provide funding for additional training and/or certification, 56% indicated they have increased salaries, and 29% said they have introduced telecommuting options.

“A dual hiring environment seems to be taking shape,” said Max Messmer, chairman and CEO of Robert Half International. “Job seekers in some fields are competing aggressively for open positions, giving employers the edge in those segments of the hiring market. At the same

time, however, companies continue to face a shortage of highly skilled professionals in fields such as technology and accounting. These in-demand workers may not be willing to leave secure positions unless firms extend very attractive job offers.”

Meanwhile, 63% of the workers surveyed in 2008 said they are inclined to negotiate better compensation packages from their employers to help cover the rising costs of fuel, food, health care, and other expenses, up from 58% of the employees surveyed in 2007.

“Businesses are operating on leaner resources and are competing to secure the intellectual capital that will drive productivity and new revenue streams” said Matt Ferguson, CEO of CareerBuilder.com. “Companies are also replacing lower-performing employees to strengthen their talent bench to prepare for a time when the economy shifts into higher gear.”

Ferguson noted, however, that nearly three-quarters of employees surveyed told pollsters that the availability of flexible schedules may cause them to choose one job over another. “Recruiting highly skilled professionals may require a greater financial commitment or special perks that provide a more attractive work environment,” he warned.

Workers Support Paid Sick Days

Most American workers see paid sick days as a basic right of employment that should be supported by government policies, according to a survey conducted by the National Opinion Research Center at the University of Chicago and funded by the Public Welfare Foundation.

The survey found that 77% of U.S. workers consider paid sick days to be “very important,” 86% agreed that employers should be required by law to provide paid sick leave, and 80% said they consider sick leave to be a basic worker’s right and a basic workplace standard. Results

further showed that most respondents rank paid sick days on par in importance with the minimum wage, overtime pay, and family and medical leave; and more important than maximum hour limits and the right to join a union.

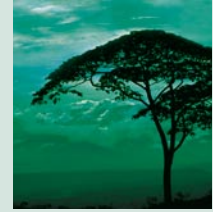
The findings suggested that support for paid sick leave cuts across political and demographic lines, with 46% of those surveyed saying they would be more likely to vote for a candidate who supports paid sick days, and only 10% saying they would be less likely to vote for a candidate because he or she advocates paid sick leave.

Researchers noted, however, that more than 40% of private sector workers and three-quarters of low-wage workers in the United States do not have paid sick days. Currently, the report’s authors observed, San Francisco and Washington, D.C. are the only jurisdictions in the country that mandate paid sick leave, though legislation is pending in Congress that would require employers with 15 or more workers to provide seven paid sick days annually to employees.

Tom W. Smith, a senior fellow at the National Opinion Research Center and director of the survey, observed that supporting sick days is a plus for political candidates. “Both before and after hearing arguments for and against paid sick days, voters indicate they are more likely to vote for a candidate who backed this requirement,” Smith said.

Some 60% of the workers surveyed reported that they or members of their family had been fired, suspended, punished, or threatened with being fired for taking time off due to personal illness or to care for a sick child or other relative. The survey also found that 68% of workers who have no paid sick days have gone to work with the flu or another contagious illness, compared with 53% of workers who have sick days.

“The lack of paid sick days has real consequences for Americans forced to choose between losing a day’s pay or going to work sick,” said Deborah Leff, president of the Public Welfare Foundation. “It’s



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difficult for employees to be productive when they are not well. They also expose co-workers and customers to illness. Providing paid sick days—which this survey shows is favored by the vast majority of Americans—is a simple matter of good employer practice and good public health.”

According to the survey, at least 70% of respondents favor requiring both small and large businesses to provide sick days, and more than 80% agree that part-time workers should be given sick days proportional to their working hours. Support for paid sick leave was found to run strongest among women, African-Americans, Hispanics, and lower-income workers.

“Across all socio-demographic groups, majorities endorse paid sick days as a fundamental workplace necessity that employers should be required to provide,” Smith said. “The lack of paid sick days is a concern to those lacking coverage and is associated with dissatisfaction with one’s job.”

Higher Gas Prices Have Little Impact On Commuting Habits

Most employees are reacting to higher energy prices by cutting back on consumption and discretionary driving, but relatively few have altered their commutes to and from work to save money on gas, a survey conducted by Harris Interactive for the Workforce Institute of human resources software provider Kronos Incorporated indicated.

Of the 1,106 employees surveyed, 77% said they primarily drive to and from work, while just 7% reported taking public transportation and 4% indicated they

carpool. More than two-thirds (68%) of respondents told researchers they have not changed how they get to and from work as a result of higher gas prices.

Yet, when asked if they had made any other changes in reaction to the rise in the cost of gas, 69% reported cutting back on unnecessary spending, 59% said they drive less, 57% said they go out to eat less often, and 30% said they have postponed a vacation because of the downturn in the economy. Of those respondents who indicated they have taken less vacation time this year than in the past, 65% said it is because they do not have enough money to take a vacation.

Meanwhile, of those workers surveyed who reported holding down more than one job, 61% said they do so to meet their financial obligations, with 43% citing the higher price of gas as a factor in their decision to take a second job.

Some 80% of respondents said their employers have not provided them with any benefits to offset the burden of higher gas prices, with just 8% reporting they have been offered the option of telecommuting, 4% saying they have been provided help in paying for public transportation, and 3% saying their employers support or help to organize carpools.

“There are several ways that employers can take a more active role in helping employees deal with higher gas prices,” said Joyce Maroney, director of the Workforce Institute at Kronos Incorporated. “Whether it’s allowing employees to work from home when it makes good business sense, scheduling employees to work compressed workweeks, or connecting them with co-workers who live in their area and work similar hours for potential carpools, these tactics can go a long way in easing the financial burden on employees.”



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