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FOR IMMEDIATE RELEASE, WEDNESDAY, MAY 12, 2004

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Health Care: New Jobs Not Measuring Up Report Shows Coverage Less Prevalent in Gaining Industries

MOUNT VERNON, Iowa (May 12, 2004) – Jobs in growth industries not only pay less than jobs in industries that provide a declining share of Iowa’s employment, but they also are less likely to provide health-care benefits, according to a new report.

“Iowa’s job growth has been slow since the 2001 recession, and this is one more sign that the quality of those jobs also is not measuring up to those they replace,” said Peter Fisher, research director of the Iowa Policy Project.

The Economic Policy Institute in Washington, D.C., on Wednesday released a state-by-state analysis of health-care coverage in jobs in various industries. EPI found that Iowa is among 45 states where jobs have shifted to industries that cover a smaller share of their workers with health insurance, on average. The analysis, based on U.S. Census data, is available on the web at www.epinet.org.

Overall, the report showed about 56 percent of Iowans received health insurance from their employer in 2002, with 52 percent reporting coverage in industries that increased their share of Iowa employment from March 2001 to March 2004, and 69.6 percent reporting coverage in industries that decreased their share of Iowa jobs. (See table, Page 2.)

An earlier, separate analysis by EPI showed that jobs in growth industries in Iowa averaged \$29,484 in pay, compared with \$36,149 for the declining industries – a drop-off of 18 percent.

“Iowa is a low-wage state to begin with,” IPP research associate Elaine Ditsler said. “We have lost more jobs than we’ve gained, and the jobs we’ve gained aren’t paying as much as those we’ve lost. That’s quite a challenge for Iowa families. This challenge is magnified when health-care costs are rising, and families in these new jobs are less likely to get help with their insurance.”

The Iowa findings come as government figures consistently show the state’s job growth lagging. Seasonally adjusted employment figures for March found the state still 27,300 jobs behind where they stood three years earlier, at the start of the 2001 recession, and far off the pace of the 1990s recovery. April numbers are scheduled to be released next week.

Other figures also show that almost 1 in 10 Iowans may be in need of health insurance. According to the Census, 277,000 Iowans, or 9.5 percent, were not covered by health insurance during all of 2002. In comparison, only 216,000 Iowans, or 7.5 percent of all Iowans, were not covered during 2001.

Key findings of the analysis:

- Industries with the highest rates of health-insurance coverage for their employees – manufacturing and information – lost job share from March 2001 to March 2004.

- Manufacturing provides about 74 percent of its employees with health insurance, but has lost 27,600 jobs in the past three years.

- Information provides health coverage to about 70 percent of employees, but has lost about 5,700 jobs in the period.

- Of the top five industries in terms of providing health insurance, only one – government – increased its share of total employment in Iowa, by 0.4 percent, in the three years. The report found 68.3 percent coverage of government workers.

- Besides government, only two industries that gained employment shares – financial activities and educational and health services – showed health coverage for over 50 percent of employees, at 62.1 percent and 52.9 percent, respectively.

- Three of the five industries below 50 percent in health coverage increased their share of employment in the state. The industry with the lowest rate of health insurance coverage – leisure and hospitality services – has gained 4,300 jobs and is the third-fastest growing industry.

The Iowa Policy Project is a non-profit, non-partisan research organization based in Mount Vernon. IPP reports are available to the public, free of charge, on the web at www.iowapolicyproject.org.

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Iowa Jobs & Health Coverage, March 2001-March 2004

	Health insurance coverage, 2002	Employment (in thousands, not seasonally adjusted)			Industry share of total employment		
		Mar-01	Mar-04	Change	Mar-01	Mar-04	Change
Total Nonfarm	55.7%	1,455	1,431	-24	100.0%	100.0%	0.0
Natural Resources and Mining	39.1%	1.8	1.7	-0.1	0.1%	0.1%	0.0
Construction	49.8%	54.1	57.8	3.7	3.7%	4.0%	0.3
Manuf Durable Goods	73.8%	150	130.9	-19.1	10.3%	9.1%	-1.2
Manuf Non Durable Goods	74.1%	94.8	86.3	-8.5	6.5%	6.0%	-0.5
Wholesale Trade	68.5%	67	63	-4	4.6%	4.4%	-0.2
Retail Trade	44.1%	183.3	177.5	-5.8	12.6%	12.4%	-0.2
Transportation and Utilities	67.9%	56.6	55.9	-0.7	3.9%	3.9%	0.0
Information	69.9%	39	33.3	-5.7	2.7%	2.3%	-0.4
Financial Activities	62.1%	90.4	97.7	7.3	6.2%	6.8%	0.6
Professional and Business Services	53.4%	106.7	103.3	-3.4	7.3%	7.2%	-0.1
Educational and Health Services	52.9%	187.9	194.9	7	12.9%	13.6%	0.7
Leisure and Hospitality	25.6%	118.1	122.4	4.3	8.1%	8.6%	0.4
Other Services	39.7%	56.2	56.2	0	3.9%	3.9%	0.1
Government	68.3%	249.1	250.1	1	17.1%	17.5%	0.4
Health care coverage, growing industries	52.0%						
Health care coverage, contracting industries	69.6%						
Percentage-point difference	-17.6						

Source: Economic Policy Institute, <http://www.epinet.org>