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Commission on Los Angeles Grocery Industry and Community Health

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UC Report Finds Steep Drop In Employer-Based Health Care For Southern California Grocery Workers

Coverage Declines 40 Percent in Three Years,
20,000 Fewer Children of Grocery Workers Enrolled

Commission to Hold Public Hearing on Health and Community Impacts

A new report by the UC Berkeley Center for Labor Research and Education finds that employer-based health coverage in Southern California's grocery industry has dropped sharply under a contract signed three years ago following a four-and-a-half month strike and lockout.

The report shows that as of September 2006, only 54 percent of union grocery workers in Southern California had health coverage through their employer, compared to 94 percent in September 2003—a 40 percent drop.

Coverage for workers hired under the new two-tier contract has fallen even more precipitously, with only 7 percent receiving health care through their employer. In Southern California, half of all employees working for unionized grocers such as Ralphs, Vons/Pavilions and Albertsons, have been hired since the new contract went into effect.

The report also documents steep declines in coverage for children and spouses of grocery workers. In September 2003, 64,389 children of unionized grocery workers were covered in Southern California; by September 2006, that number had fallen by more than 20,000 to 43,572—a 32 percent decline. Spousal coverage went from 33,269 to 23,162 in the same period.

"The changes in grocery health plans and reduction in starting wages in April 2004 has dramatically reduced health coverage in the grocery industry in the Southern half of the state," states the report. "Jobs that once provided full-time work and full family benefits are now much more likely to be part-time and un-benefited."

According to the report, among workers with a chronic health condition hired under the new contract, 20 percent fewer were receiving treatment as compared to their co-workers who were eligible for the higher tier plan. "Workers without health insurance are more likely to delay needed care and less likely to receive treatment

for chronic health conditions. Treatment delays may have long term adverse effects on both health and health costs," concludes the report.

The authors of the new UC report will testify this evening before a commission examining conditions in the Los Angeles grocery industry. The commission, composed of elected officials as well as business, faith and civic leaders, will also hear testimony from health care experts, community leaders and grocery workers.

The hearing will take place at 6 p.m. at the Cathedral Plaza in downtown Los Angeles, located at 555 W. Temple Boulevard, Los Angeles 90012.

Commissioners include Jackie Goldberg, former California Assemblywoman; Clifford Goldstein, Senior Partner, J.h Snyder Co.; Rabbi Mark Diamond, Board of Rabbis of Southern California; Right Rev. Joseph Jon Bruno, Bishop, Episcopal Diocese of L.A.; Monica Garcia, Los Angeles Unified School District Board; Rev. Norman Johnson, Pastor, First New Christian Fellowship Missionary Baptist Church; Regina Freer, Professor, Occidental College and L.A. City Planning Commissioner; and Dr. Richard S. Baker, Charles R. Drew University.

"Our goal is to evaluate and address the impacts the Los Angeles grocery industry is having on the city's health," said Goldberg. "We hope to learn about the two-tier system, and its effects on workers and their families, our communities and the city as a whole."

Under the new contract, as health coverage and wages decreased for newly hired workers, turnover among unionized grocery workers in Los Angeles has risen from 19 percent to 32 percent. Turnover rates have increased even more among grocery workers in their first year of employment, from 30 percent to 52 percent.

Grocery workers hired since the contract took effect must work significantly longer before becoming eligible for health care benefits. The wait period went from 4 to 12 months for individuals, while grocery workers hoping to add family members to their insurance now must wait 30 months.

Grocery workers seeking health coverage must pay higher premiums than in the past, despite lower pay and fewer hours. Grocery companies have reduced the number of full-time positions, and shifted to more part-time employment. In September 2003, the average grocery worker in Southern California worked 37 hours a week; three years later, the average fell to 29 hours a week.

"This report documents the troubling erosion of health care coverage in an industry that for decades has been an important source of middle class employment in Southern California," said Ken Jacobs, co-author of the study and Chair of the UC Berkeley Center for Labor Research and Education. "The decline in job-based coverage has important implications for the public at large. When workers do not have coverage through their job it not only affects workers' access to care, it also raises costs for those employers who do provide health coverage and for taxpayers."

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