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Health Care Needs and Access Among Warehouse Workers in Southern California

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The logistics industry is one of the most important industries contributing to economic development in Inland Southern California, which includes eastern portions of Los Angeles County, and Riverside and San Bernardino counties. The logistics industry employs warehouse workers, truckers, electricians and other trades specialists, supervisors and managers, and other types of workers engaged in moving goods from sites of production to retail stores.² Although the median annual salary for all jobs in the logistics sector is \$43,911,³ the highest paid positions require a college degree. Moreover, greater reliance on automation and advanced technologies has both reduced the overall number of jobs available and increased competition among skilled laborers and college graduates for them.⁴ Employers often rely on staffing agencies to fill blue-collar warehouse positions, including: forklift driver, material mover, packer or packager, shipping, receiving, stock and traffic clerks, and order filler, which are increasingly temporary and poorly paid.⁵ Yet such warehouse jobs are frequently regarded as essential to employment stability among the region's large undereducated (more than 45 percent have a high school diploma or less) population.⁶

Employer-provided health care insurance is the primary vehicle for access to health care facilities and medical treatment in the United States. Consequently, health care access is likely to be limited among temporary employees and those who are paid too little to afford insurance deductible and/or requisite copays. Here, we summarize the key findings from a recent survey of warehouse workers administered by UC Riverside researchers that assesses warehouse workers' wages and benefits, specifically, the availability of health insurance to cover routine and emergency medical expenses. In fall 2013, teams of UC Riverside researchers and warehouse workers trained in survey administration interviewed 224 current and former warehouse workers who attended events held at the Warehouse Worker Resource Center (WWRC) or who were part of their own personal or workplace networks. Survey results clearly indicate that those served by the WWRC and their associates not only earn low incomes, but also lack adequate health insurance and require greater access to medical care for themselves and their family members.⁷

We also compare our UCR survey findings with those from the 2009-2013 American Community Survey for Riverside and San Bernardino Counties for blue collar warehouse workers. Following De Lara,⁸ we considered blue collar warehouse workers as those employed within the warehouse and storage industry or the (temporary) employment services industry in the following five occupations: industrial truck and tractor operators, laborers and material movers, packers and packagers, shipping, receiving, and traffic clerks, and stock clerks and order fillers.⁹

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The Institute also sponsors colloquia, conferences and other public programming, is home to the undergraduate minor in Labor and Workplace Studies at UCLA, and carries out educational outreach on workplace issues to constituencies outside the university.

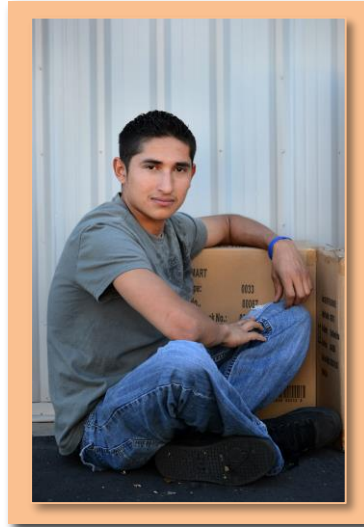
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While some of the workers in these occupations employed through temporary employment service firms might be employed outside of warehouses, they provide the only source of information within this survey on the employment conditions and health insurance needs among temporary blue-collar warehouse workers.

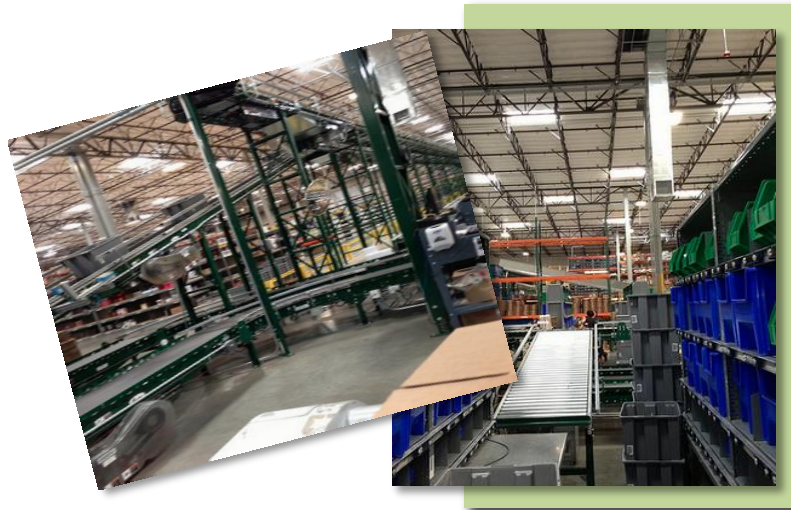


The UCR survey intentionally focused on a particularly vulnerable subset of warehouse workers (those served by the Warehouse Worker Resource Center). In general, a greater percentage of immigrants, women, and less educated workers (and slightly more temporary workers) are included in the UCR sample in comparison to the ACS sample. Even so, UCR survey findings concerning the characteristics of the region's warehouse workers and their working conditions are nonetheless consistent with the ACS results. Inland Southern California's warehouse workers tend to be young Latinos with low levels of education working poorly paid jobs that do not include health benefits or are insufficient to cover private health insurance.

Social Characteristics

- As Table 1 shows, nearly all UCR respondents were Latinos (96 percent), and 77 percent were immigrants. In comparison, 77 percent of ACS respondents were Latino, while 38 percent were immigrants.
- About 83 percent of UCR respondents and 75 percent of ACS respondents have a high school education or less,
- While most respondents in both surveys were men, 43 percent of UCR respondents and 34 percent of ACS respondents were women. Most (57%) of UCR respondents had a child who was 21 years or younger. Health care is available for children whose parents do not have health insurance; however, young adults are covered under the Affordable Care Act only if their parents are insured.

Table 1 Demographic characteristics of all workers		
	UCR	ACS
Gender		
Male	57%	66%
Female	43%	34%
Nativity		
Foreign-born	77%	38%
Native-born	23%	62%
Race/Ethnicity		
Latino/Hispanic	96%	77%
Non-Hispanic White	2%	10%
Non-Hispanic Black	1%	10%
Non-Hispanic Other	1%	4%
Age		
17-25	23%	33%
26-40	42%	38%
41-78	35%	29%
Level of education		
Less than high school	57%	39%
High school/GED	26%	36%
College and above	17%	24%



Employment Conditions

- As Table 2 shows, about 87 percent of currently employed UCR respondents worked full-time using the Affordable Care Act’s definition of full-time employment (30 hours or more per week), while 13 percent worked part-time. In comparison, about 82 percent of currently employed ACS respondents worked full-time, while 18 percent worked part-time. Both surveys show that part-time work is more concentrated among temporary hires than direct hires.
- UCR respondents who were currently employed and worked at least 20 hours per week earned a median annual personal income of \$15,000, with the lowest incomes found among temporary workers who tend to earn lower wages and work fewer hours per year than direct hires. Direct

hires annually earned \$2,000 more per year than temporary workers (\$16,000 versus \$14,000). In comparison, ACS respondents with those characteristics earned median wages of \$14,000 (expressed in 2013 dollars). Direct hires earned more than \$13,000 more per year than temporary workers (\$20,000 versus \$6,850). Both surveys indicate that respondents' overall median income is below the federal poverty line for a family of three during the period covered by the surveys.¹⁰

- About a quarter of all UCR and ACS respondents report unemployment (22 percent and 28 percent, respectively), which is not surprising given the seasonal and temporary nature of warehouse employment.
- As Table 3 shows, 51 percent of UCR respondents have been employed through temporary agencies. In comparison, slightly less than half (46 percent) of ACS respondents had been employed through temporary agencies.

		UCR			ACS		
	Temp hires	Direct hires	All Hires	Temp hires	Direct hires	All Hires	
Employment time							
Full-time	78%	96%	87%	72%	90%	82%	
Part-time	22%	4%	13%	28%	10%	18%	
Annual income							
Average	\$14,795	\$18,971	\$17,104	\$10,034	\$21,444	\$16,792	
Median	\$14,000	\$16,000	\$15,000	\$6,850	\$20,000	\$14,000	

	UCR	ACS
Direct hires	49%	54%
Temp hires	51%	46%

Lack of Access to Health Insurance and Medical Care

Health insurance has become a standard expectation of full time employment; yet both UCR and ACS surveys reveal that the lack of health insurance is commonplace among blue-collar warehouse workers, and particularly acute among the mostly Latino immigrant UCR survey respondents. The effects of this lack of health insurances is clear in the reluctance or inability to seek medical treatments found among UCR respondents and their families. In particular:

- Only 35 percent of UCR respondents had health insurance when surveyed and only 15 percent had health insurance coverage through their own employer. Among those with some form of health care plan, one third or more claimed it did not cover dental care, vision care, or chiropractic services. In comparison, about 50 percent of ACS respondents have health insurance and about 29 percent have health insurance through their employer or union.

- In comparison, about 85 percent of the U.S. public has health insurance according to national surveys.¹¹ A survey of California residents finds that 48 percent of all working-age adults (19-64 years old) had employer-based health insurance through their own job.¹²
- Most (64 percent) of UCR survey respondents reported that they had ever waited until their injury or illness was severe before seeking treatment due to cost or the lack of health insurance, while about one-third had done so within the past year.
- Among those with family members in their household, 64 percent of UCR respondents reported that they had at least one family member who was uninsured. Nearly half of those surveyed (47 percent) reported that a family member had ever delayed seeking medical treatment needed because of the cost or lack of health insurance.

Table 4 Health insurance and medical care		
	UCR	ACS
Health insurance		
Yes	35%	50%
No	65%	50%
Insured through employment		
Yes	15%	29%
No	85%	71%
Respondent delayed treatment (within the past year)		
Yes	36%	--
No	64%	--
Family insurance		
Entire family covered	36%	--
At least one without	64%	--
Family delayed treatment (ever done so)		
Yes	47%	--
No	53%	--

Where Do Workers Receive Medical Treatment?

- As Table 5 shows, half of the respondents reported that they most frequently obtained medical care from a free or low-cost county clinic, while ten percent went to a hospital emergency room. During their most recent illness, nearly one-fourth of those surveyed were seen by emergency room staff. In contrast, a national survey of adults found that 21 percent usually sought health care at a clinic or health center, while slightly less than 3 percent went to a hospital emergency room or outpatient department.¹³

Table 5 Medical providers (UCR survey only)	
Type of institution most frequented	
Emergency room/urgent care	10%

County clinic	50%
Public hospital	11%
Personal doctor	16%
Other	13%
Type of institution last visited	
Emergency room/urgent care	24%
County clinic	43%
Public hospital	9%
Personal doctor	13%
Other	11%

Worker Interviews ¹⁴

UCR researchers interviewed a subset of survey respondents in-depth to gain a closer look at the human consequences of insufficient health insurance. These interviews suggest that when they have health insurance, workers cannot always use it because the costs of deductibles and co-pays are high relative to their low salaries. They also show how some employer-provided insurance plans are too expensive for these low-wage workers to purchase. Respondents also described how the lack of health insurance leads to psychological stress, large medical debts, and delays in medical treatment among warehouse workers.

“I need surgery, but how do I do it if I do not have health insurance?”

“I do worry a lot, and I go to bed praying that I won’t get sick the next day because without insurance, I would have to pay a lot. So it’s very stressful.”

Interviewees also emphasized that warehouse work is so physically demanding and dangerous that prevention of injury, workplace health and safety training, and provision of health insurance should be a priority. Along with dangers associated with lifting heavy objects and the pressure to work fast, workplace dangers described by interviewees included “oil on the floor, knives that can cut, dust, and broken pallets.” Such comments support academic studies that show temporary workers, generally, and temporary warehouse workers, in particular, experience high rates of workplace injuries and illnesses. The Bureau of Labor Statistics also finds that the warehouse industry is among the most dangerous industries in the United States in terms of its rate of reported work-related injuries; its workplace injury fatality rate is also more than three times the average rate found among all workers.¹⁵

Health Care among Immigrant Forklift Drivers in Inland Southern California's Warehouses

Manuel immigrated from Michoacán, Mexico. He has 18 years warehouse experience and is currently a full-time forklift driver hired directly by the warehousing company where he works. Manuel has health insurance with Anthem Blue Cross, which is provided by his employer. He is diabetic and suffers from a handful of health problems due to his employment and advanced age (arthritis, shoulder pain, back pain, high cholesterol). Despite having health insurance, Manuel finds that his medicine and overall medical costs are still difficult to afford on his salary. Consequently, he regularly skips taking medications, and stopped seeing his physical therapist after only one week because he could not afford the \$26-per-visit copay.



Eduardo migrated to the United States from Managua, Nicaragua in 2010 and has been working as a warehouse worker since then. Eduardo is a forklift driver currently employed as a temporary worker through a staffing agency. Eduardo has medical insurance with Health Net through Covered California. His employer offers health insurance, but it is more expensive than his coverage through Covered California. Due to health insurance limits, Eduardo routinely avoids physicals and dental care check-ups. When possible, Eduardo waits to see the dentist until he visits his family in Nicaragua, where the costs are much lower than in the United States. Eduardo maintains full medical coverage for his wife and five children (ages 6 to 21) in Nicaragua for only \$44 a month.



Jose immigrated from El Salvador. He has been working in warehouses for seven years. Currently, Jose is a forklift driver employed as a temporary worker through a staffing agency. He has medical coverage for himself and his three children (ages 4 to 15) through Medi-Cal. Although Jose's employer offers its own medical insurance program, it is too expensive. About a year and a half ago, Jose lost Medi-Cal coverage when he took a second job. During the year Jose's family was without insurance, his youngest child required emergency medical treatment. Jose paid out of pocket for these services; he ultimately left his second job to regain Medi-Cal eligibility for his family.

Policy Recommendations

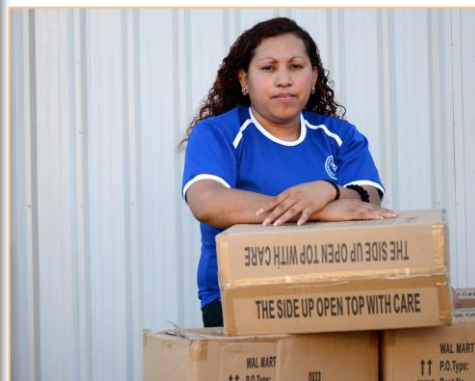
While the implementation of the ACA may help to improve warehouse workers' access to health care, the concentration of temporary, immigrant workers among this group suggests that the effects of the

ACA in this sector of the logistics industry are likely to be limited and uneven. With proper outreach, the ACA might improve health care access for those documented workers employed at least 30 hours per week by warehouses or temporary employment agencies where 50 or more people regularly work, if health insurance plans and their deductibles are reasonably priced. Our interviews suggest that further reducing the cost of deductibles for ACA health insurance plans is critical for improving health care access among eligible warehouse workers and other low-wage workers. Moreover, the ACA's perverse incentive structure has already prompted employers to use more part-time and temporary labor in order to avoid health insurance costs.¹⁶



Not yet covered by ACA, undocumented immigrants will continue to rely heavily on emergency services and health clinics for medical care. Providing an accessible pathway to legalization and increasing funding and outreach for health clinics remains vital to improving undocumented immigrants' access to health care.¹⁷

National labor law reforms are needed to facilitate unionization among warehouse workers and other low-wage workers, including policies to allow workers to unionize through majority card check and to stiffen the penalties for employer retaliation against workers during unionization campaigns. By giving workers a greater voice on the job, unionization would help to further improve warehouse workers' access to health insurance as well as help to improve workplace safety. Increased state and federal funding for the enforcement of occupational, health, and safety regulations could also help to prevent workplace accidents and injuries, which remain at high levels within the warehouse industry.



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