Declining Health Coverage in the Southern California Grocery Industry

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January 2007
Major Changes in the Southern California Contract

- Increased health care eligibility waiting periods from four months to twelve months for individual coverage (18 months for clerks) and 30 months for family coverage.
- Required new employees to contribute 20 percent of the health premium cost; under the old contracts employees did not make direct premium contributions.
- Increased co-pays, co-insurance and deductibles under the new plan, while restricting plan options.
- Reduced wage rates for new hires.

Source: Tentative Agreement for a Successor Collective Bargaining Agreement Between Albertson’s Inc., Ralphs Grocery Company and Vons, a Safeway Company and United Food and Commercial Workers Locals 135, 324, 770, 1036, 1167, 1428 and 1442.
Data Sources

- Actuarial data from *UFCW Unions and Food Employers Benefit Fund* and from the *Segal Company* was used to calculate the health insurance eligibility and coverage rates, and the number of covered workers and dependents from Southern and Northern California.

- Union membership lists from Northern California locals (428 and 101) and Southern California Local 770 were used to estimate employee turnover, health care eligibility and the age distribution over the 2002-2005 period.

- Our own survey of 755 active UFCW members from Locals 428, 101, 770 and 1428 was used to estimate effects on healthcare utilization.
Estimated Healthcare Eligibility Rate for LA Grocery Workers 2002-2005

Source: Analysis of UFCW 770 Membership Data

Source: UFCW Unions and Food Employers Benefit Fund Data
Health Coverage for Workers Hired under New Contract

![Bar chart showing the percentage of workers eligible for, taking up, and covered by health insurance under new contracts. 29% are eligible, 28% take up coverage, and 7% are actually covered.]

Source: UFCW Unions and Food Employers Benefit Fund Data
All Coverage Sources for Southern California Grocery Workers Hired under New Contract

Source: 2006 Survey of UFCW Members and UFCW Unions and Food Employers Benefit Fund Data
Estimated Healthcare Eligibility Rate for Northern California Grocery Workers 2002-2005

Source: Analysis of UFCW 428 and 101 Membership Data
# Coverage Rates for Southern and Northern California Grocery Workers

<table>
<thead>
<tr>
<th></th>
<th>Southern California</th>
<th>Northern California</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2003</td>
<td>94%</td>
<td>96%*</td>
</tr>
<tr>
<td>September 2006</td>
<td>54%</td>
<td>79%</td>
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</tbody>
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Source: UFCW Unions and Food Employers Benefit Fund, Segal Company
### Coverage for Children and Spouses for Southern California Grocery Workers

<table>
<thead>
<tr>
<th></th>
<th>Children</th>
<th>Spouses</th>
</tr>
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<tbody>
<tr>
<td>September 2003</td>
<td>64,389</td>
<td>33,269</td>
</tr>
<tr>
<td>September 2006</td>
<td>43,572</td>
<td>23,162</td>
</tr>
<tr>
<td>Difference</td>
<td>20,817</td>
<td>10,107</td>
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</tbody>
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Source: UFCW Unions and Food Employers Benefit Fund
Annualized Turnover of LA Grocery Workers 2002-2005

Source: Analysis of UFCW 770 Membership Data
Annualized Turnover of LA Grocery Workers on the Job Less than One Year, 2002-2005

Source: Analysis of UFCW 770 Membership Data
Annualized Turnover Rate of Northern California Grocery Workers 2002-2005

Source: Analysis of UFCW 428 and 101 Membership Data
Teenage Share of LA Grocery Workers 2002-2005

Source: Analysis of UFCW 770 Membership Data
Teenage Share of Newly Hired LA Grocery Workers 2002-2005

Note: Newly hired refers to workers with less than one year tenure on the job.

Source: Analysis of UFCW 770 Membership Data
Number of Doctor’s Visits Last Year

Notes: (1) The * indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status

Source: 2006 Survey of UFCW Members
Number of General Checkups Last Year

Notes: (1) The * indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status

Source: 2006 Survey of UFCW Members
Receiving Treatment if the Worker has Chronic Conditions

<table>
<thead>
<tr>
<th></th>
<th>Hired After</th>
<th>Hired Before</th>
<th>Difference</th>
<th>Difference with Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.6%</td>
<td>50.6%</td>
<td></td>
<td>15.1%*</td>
<td>20.1%*</td>
</tr>
</tbody>
</table>

Notes: (1) The * indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status.

Source: 2006 Survey of UFCW Members
Worker Delayed or Did Not Receive Needed Care

Notes: (1) The * indicates that the difference is statistically significant at the 10% level. (2) Before means the worker was hired prior to the new contract; (3) Controls include age, gender, race, family structure, and health status

Source: 2006 Survey of UFCW Members