

EMPLOYMENT:

Health Works

Employment, poverty, and health interact through a complex, sometimes reinforcing, dynamic. In many respects, the relationships among these conditions seem obvious – underemployment leads to poverty, and poverty, in turn, compromises health status. Yet the causal influences at play are not entirely linear, nor clear cut.

Most Americans earn income by working, with their wages and work hours dictating earned income levels, eligibility for government income assistance, and ultimately poverty status. Over half of all families living in poverty receive some amount of income through employment, while only 21 percent of such families receive means-tested cash assistance (U.S. Census Bureau 2006). While employment does not always ensure sufficient income for basic needs (such as food, housing, child-care, and transportation), employment status has a significant influence on poverty rates. Only 5.8 percent of workers are poor, compared to 21 percent of adults (16 years of age and older) who do not work at all (U.S. Census Bureau 2007).

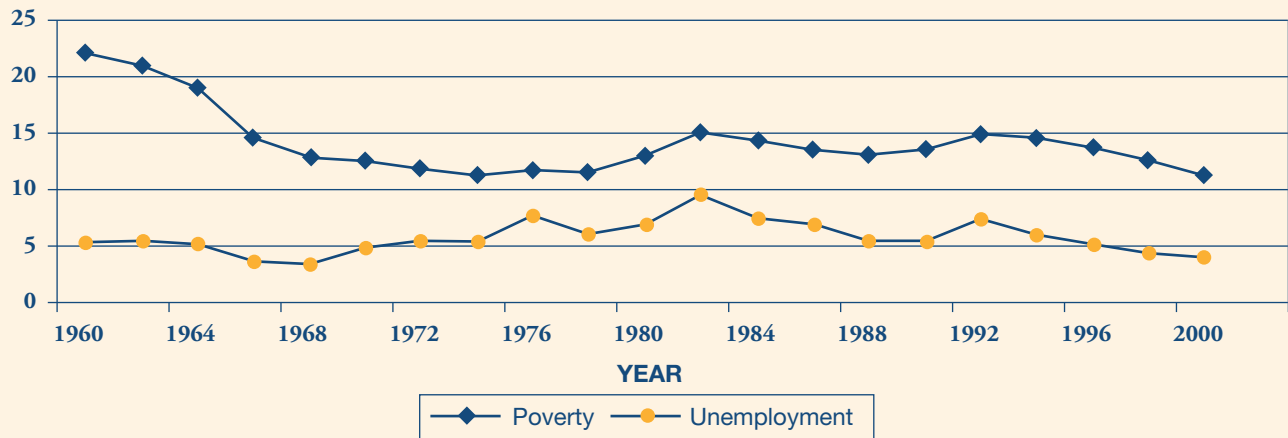
Unemployment and poverty rates have generally fluctuated in tandem over the last four decades (Figure 1). Low rates of unemployment are associated with reductions in poverty both because more people are earning income and also because tight labor markets lead to higher wages. Despite vibrant economic growth, unemployment rates in recent years have not reached the lows achieved in the late 1960s and early 1970s. As a result, wages have been largely stagnant for low-income workers since 1979, and the poverty rate has stubbornly refused to

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decline (Haskins and Sawhill 2007).

Economic trends play a major role in determining employment and poverty rates, but government policies are also critical. Welfare reforms in the mid-1990s created strong incentives for work. These reforms, combined with economic growth and childcare subsidies, led to declines in unemployment and increased income levels for poor, single mothers, along with decreased poverty rates for children living in female-headed households (Haskins and Sawhill 2007). The Earned Income Tax Credit reinforced these trends by offsetting payroll taxes paid by the poor through a refundable credit that varies by income level and family structure. While these trends are promising, concerns have been raised that the time limits imposed under the Temporary Assistance for Needy Families (TANF) program will result in hardship for poor families if unemployment levels increase significantly. Low-wage workers' fragile attachment to employment may result in families cycling in and out of poverty – as well as on and off the welfare rolls – during periods of economic decline. Following the recession of 2001, approximately

Figure 1: **RATES OF POVERTY AND UNEMPLOYMENT, 1960 - 2000**



Source: U.S. Census Bureau 2006 and U.S. Department of Labor 2006

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one-quarter of the people who left the welfare rolls between 2000 and 2002 had returned to cash assistance by the end of the two-year period (National Governors Association 2007).

Long before TANF reform highlighted the importance of work, employment was viewed as the key to ending poverty and its negative health effects. However, employment can play a variety of roles in mediating the complex relationship between poverty and health. Unemployment, sporadic employment, or low-wage employment can lead to poverty and all the health risks that life in poverty confers. Alternatively, poor health status can restrict employment opportunities, thereby limiting income and increasing the likelihood of poverty. Working conditions can also directly impose risks that jeopardize health, and low-income workers are particularly likely to hold such high-risk jobs. These occupational health risks can be obvious (such as the high levels of toxic pesticides to which farmworkers are exposed) or they can be more subtle (such as the chronic stress experienced by low-wage workers with limited control over their work demands and responsibilities).

Although occupational health risks are a concern, employment also has the potential to improve health. Increased income, even for those who remain poor, typically leads to tangible improvements in health status and well-being. Some studies show that engaging in productive work can improve self-esteem and reduce depression. Survey research focused on diverse populations, however, suggests that members of minority groups may not fully reap the health benefits linked to increasing occupational status. The reported experience of work-place discrimination compromised health outcomes and increased the prevalence of depression among Asian-American respondents at all earning levels (The California Wellness Foundation 1999). Taken together, the evidence base indicates that the nature of a given job, as well as the standard of living supported by earnings from that job, determine the extent to which employment is likely to produce better health outcomes.

EFFORTS BY HEALTH FUNDERS TO IMPROVE HEALTH BY SUPPORTING EMPLOYMENT

The California Wellness Foundation observes that “the cross-disciplinary aspect of work and health poses particular challenges” (1999). Investments to support employment are not likely to yield measurable health-related results in the short-term, and innovative interventions may be viewed as untested and risky relative to more traditional health improvement

efforts. Despite these challenges, health funders have pursued a wide variety of employment-based strategies to improve health through poverty reduction. These efforts typically fall into two broad types of interventions: (1) facilitating the creation of safe jobs that provide a living wage and (2) helping people build the skills and capabilities needed to secure such jobs.

BUILD IT...

It is difficult for people living in or near poverty to find good, stable jobs that offer economic security and advancement opportunities. Some philanthropic efforts have focused broadly on building economic opportunity in low-income communities. Nurturing Neighborhoods/Building Community, an initiative of the California Community Foundation, has helped low-income individuals improve their lives through jobs, education, better health, and enhanced civic leadership. One facet of the initiative seeks to strengthen and expand economic opportunities by placing adults in jobs that provide livable wages and potential for career growth. Recognizing that job accessibility and success is often limited by practical barriers, such as childcare, transportation, language skills, and personal barriers, such as mental and physical impairments, grants were also provided for wrap-around services that assist individuals to stay in their jobs.

Some job creation efforts have focused specifically on leveraging workforce needs within the health care field. With support from Jane's Trust, The Jacob and Valeria Langeloth Foundation, The Atlantic Philanthropies, and the Charles Stewart Mott Foundation, the Leadership, Education, and Advocacy for Direct Care Support (LEADS) Institute is strengthening the ability of residential and in-home care providers in Maine, New Hampshire, and Vermont to attract and retain frontline caregivers. Developing a pipeline of workers, as well as career ladders for professional growth and development, accomplishes two goals: it builds a strong cadre of direct-care workers providing quality care to long-term care patients, and it creates employers that keep and reward good workers.

Other philanthropic efforts seek to enhance the wages and benefits of existing employment opportunities. The jobs available to unskilled workers are largely concentrated in the service and sales industries such as clerical support, retail sales, and direct-care workers in the health care field. Low-wage jobs often fail to provide compensation levels that support life's necessities and typically lack benefits, such as health insurance coverage and paid sick leave, that can protect families from the financial consequences of illness and injury.

Many health funders have played important roles in expanding health insurance coverage among vulnerable populations, and access to employment-sponsored insurance has been an important component of these efforts. Some health funders have focused specifically on improving the employment bene-

fits for health care workers. For example, the Paraprofessional Healthcare Institute developed the national Health Care for Health Care Workers (HCHCW) campaign. Supported by several foundations, including The Atlantic Philanthropies, The Nathan Cummings Foundation, the Charles Stewart Mott Foundation, Public Welfare Foundation, and The Retirement Research Foundation, the campaign seeks to inform policy-makers and employers about the benefits of health care coverage for direct-care workers. It also supports state advocacy efforts. In Maine, for example, HCHCW advocated for the expansion of affordable healthcare coverage for direct-care workers by broadening eligibility for DirigoChoice, the state's health care program. HCHCW is also reaching out to uninsured and underinsured direct-care workers in Maine and connecting them with resources to find needed health care.

High rates of uninsurance among low-wage workers are well established, but the need for improved leave benefits is less widely acknowledged. In fact, three in four low-wage workers and five in six part-time workers have no paid sick leave (National Association of Working Women 2007). Such benefits appear somewhat more generous within the health care industry, but still more than 2 in 5 direct care workers, such as home health aids and nursing assistants, do not have health insurance (Paraprofessional Healthcare Institute 2007). Workers without health care coverage are substantially less likely to seek preventive health care services for themselves or family members. They are also more likely to put off getting care until an illness or chronic condition worsens. Lack of sick leave can result in people not coming to work – and not getting paid – because they need to care for a sick family member.

The Public Welfare Foundation funded a two-year, \$1 million sick leave initiative to leverage support from a variety of groups, raise awareness of the issue, and identify policy solutions. The foundation awarded its first grant under the initiative to the National Partnership for Women and Families to support the first National Paid Sick Days Summit, held in July 2007. At the summit, participants focused on broadening support for the issue by framing it in the larger contexts of economic justice, support for families, and public health. Participants also examined how local coalitions working on the issue could expand their reach through collaboration with health reform advocates, labor organizations, and others. Additional grants under this initiative will support activities to organize stakeholders at the local, state, and national levels for paid sick leave policies; assess existing sick leave measures and develop new policy proposals; engage the business community by demonstrating the benefits of paid sick leave; and coordinate efforts among groups engaged in the issues to share strategies.

Limited leave benefits coupled with increasing insurance deductibles and co-payments for those with coverage can place low-income individuals and families at risk for unaffordable medical bills and medical debt. Between 25 and 40 percent of

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Americans face problems paying high medical bills, with low-income and chronically ill people most at risk (Pryor 2006). The consequences of medical debt include reduced access to health care, as well as additional financial pressures that can undermine the economic security of individuals and families and exacerbate pre-existing health problems. The Quantum Foundation is raising public awareness about medical debt. It supports community-based groups, such as the Consumer Credit Counseling Service of Palm Beach County, which assist clients in resolving medical debt problems. The foundation also supports research on medical debt. A grant to The Access Project supported an assessment of medical debt in Palm Beach and the development of partnerships with local hospitals and community-based organizations to help ameliorate the burden.

A few health funders have pursued broader advocacy activities to support workers' rights including policy activities related to minimum wage standards, income tax policy, and occupational health hazards. Through its Bridging the Economic Divide (BED) initiative, Tides Foundation has built support for better wages. By partnering with a variety of stakeholders, grantees have successfully advocated for policy change at the state and local levels. The Santa Fe Living Wage Network, for example, achieved a private-sector voluntary living wage ordinance in the city of Santa Fe, New Mexico. BED also provides support to national organizations providing information and technical assistance to local coalitions. ACORN's Living Wage Resource Center received a grant to disseminate information on the living wage movement, as well as to develop a Web site with tools and materials such as living wage ordinance summaries and comparisons from across the country, drafting tips, research summaries, and Web links to other living wage-related sites.

...AND THEY WILL COME

Many factors make it challenging for the poor to secure and retain work even when good jobs are available. Common barriers to employment include low education levels, limited work experience, lack of childcare and transportation, and poor physical health. A recent study of welfare recipients in six states and the District of Columbia found that about 40 percent of recipients had not completed high school or a GED program, and about 20 percent reported physical health problems (Zedlewski et al. 2007).

Low-wage workers often lack opportunities to advance in their careers or develop the skills necessary to obtain well-

paying jobs. Access to job counseling, vocational training, and educational opportunities are often lacking in poor communities. To help low-skill adults prepare for and succeed in the work place, the Charles Stewart Mott Foundation and North Carolina GlaxoSmithKline Foundation support Jobs for the Future (JFF), a nonprofit research and advocacy organization that works to strengthen families and communities through educational and economic opportunity. JFF's Breaking Through initiative assists community colleges throughout the country to build and strengthen occupational and technical degree programs that help individuals gain the skills and credentials needed to obtain family-supporting careers. The program also helps create pathways for low-skill individuals to access educational opportunities.

To address the needs of low-income women with children, The Assisi Foundation of Memphis, Inc. provided support for the DeNeuville Learning Center's Step Forward program. The center helps low-income women with limited resources gain the skills needed to make positive choices for themselves and their families. It offers a variety of classes such as computer hardware and software, GED, English as a Second Language, business and job readiness skills, financial literacy, citizenship test preparation classes, and parenting. It also provides counseling services and assists women with childcare and emergency needs.

Health funders have been instrumental in addressing the health-related barriers that can lead to unemployment or undermine the productivity and earnings of low-wage workers. Health-related employment barriers are not uncommon among

the poor. About 30 percent of welfare recipients report having mental health problems, and almost 33 percent report having a special-needs child (Zedlewski et al. 2007). Recognizing these needs, The New York Community Trust supports NewTel, Inc., a nonprofit program that trains recovering substance abusers for employment in telemarketing. Trainees spend six months learning customer service, reservations, billing, and telephone surveys. They also attend classes in oral communication and telephone etiquette and receive counseling and job placement assistance. The foundation's grant was used to provide continued mental health and addiction counseling services for clients during their first 18 months of employment, covering work-related problems and personal crises, relapse prevention counseling, and referrals to a full range of outpatient activities.

CONCLUSION

The American work ethic is an important part of our cultural norms and expectations. As a society we value work – we believe that able-bodied adults should work and that workers should be fairly compensated for their labor. Expanded employment is likely to be the cornerstone of any successful effort to combat poverty. Increasing workforce participation, however, is unlikely to yield meaningful health benefits for low-income workers and their families unless wage levels and working conditions associated with that employment improve substantially. Health funders have a unique role to play in making employment a true gateway to income security, self-sufficiency, and well-being.

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