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EXECUTIVE SUMMARY

Debt of the Elderly and Near Elderly, 1992–2007

DEBT LEVELS RISING: Debt levels of those in or near retirement age are heading up: Among elderly families—and especially among the lower-income elderly—both housing debt and consumer debt levels are rising. For some cohorts, a substantial percentage have debt levels well beyond the threshold considered problematic.

PERCENTAGE WITH DEBT: A growing share of older American families had incurred debt through 2007, particularly those ages 55–64—the ages right before or at the start of retirement. The percentage of American families with a head age 55 or older who have some level of debt was 63.0 percent in 2007, almost 3 percentage points higher than 2004, 7 percentage points higher than the 2001, and up nearly 10 percentage points from 1992.

DEBT LEVELS: As the percentage of families with a head age 55 or older *with any debt* increased from 1992–2007, the *average total debt* level also increased: from \$32,191 (2007 dollars) in 1992 to \$70,370 in 2007; the *median debt level* (half above, half below) of those with debt increased from \$15,923 to \$43,000. This was a real increase in the average and median debt levels by 118.6 percent and 170.0 percent, respectively, from 1992.

RISING HOUSING DEBT A MAJOR CONCERN: Although rising debt levels are not necessarily a sign of danger for all elderly or near-elderly families (especially if they are also high-income), rising housing debt is of particular concern, since housing typically is the major asset elderly families have. Leveraging it at this point in their lives may leave them without a major resource to finance an adequate retirement, given the recent downturn in the housing market.

The Relationship Between Union Status and Employment-Based Health Benefits

UNION WORKERS MORE LIKELY TO HAVE HEALTH COVERAGE: Union workers are much more likely to have employment-based health benefits than nonunion workers. In September 2007, 83 percent of union workers were covered by health benefits through their own job, compared with 58 percent of nonunion workers. Union workers are more likely to be employed in the public sector, manufacturing industry, blue-collar occupations, and in full-time jobs. Union workers have higher annual earnings than nonunion workers

IMPLICATIONS FOR THE UNINSURED: All else equal, if unionization in the private sector continues to decline, the percentage of workers with employment-based health benefits will continue to decrease, and this trend will be exacerbated by any future declines in public-sector unionization.

Debt of the Elderly and Near Elderly, 1992–2007

By Craig Copeland, EBRI

Introduction

When predicting the future income security of retirees, researchers typically focus on measures concerned with retirees' accumulated financial assets, particularly within tax-qualified retirement plans (e.g., 401(k) plans and individual retirement accounts (IRAs)), and coverage by supplemental health insurance to Medicare provided through a former employer. However, any debt that a near-elderly or elderly family has accrued going into retirement or during retirement is likely to offset its asset accumulations, resulting in a lower level of retirement income security.

This article focuses on the trends in debt levels among those age 55 and older who are approaching or are in retirement, as financial liabilities are a vital but often ignored component of retirement income security.¹

The Federal Reserve's Survey of Consumer Finances (SCF) is used to determine the level of debt in this article.² Debt is examined in two ways:

- Debt payments relative to *income*, and
- Debt relative to *assets*.

Each measure provides some insight into the ability of these families to cover their debt before or during retirement. For example, higher *debt-to-income* ratios may be acceptable for younger families with long working careers ahead of them, since their incomes are likely to rise and their debt (related to housing or children) is likely to fall in the future. But a higher debt-to-income ratio may be more serious for older families, as they could be forced to reduce their accumulated assets to service the debt when their earning years are ending. However, if these high debt-to-income older families have low *debt-to-asset* ratios, the effect of paying off the debts may not be as financially difficult as it would be for those with high debt-to-income and debt-to-asset ratios.

As described in more detail below, debt levels of the elderly and near-elderly are heading up: Among elderly families—and especially among the lower-income elderly—both housing debt and consumer debt levels are rising. For some cohorts, a significant percentage have debt levels well beyond the threshold considered problematic. Although rising debt levels are not necessarily a sign of danger for all elderly or near-elderly families (especially if they are also high-income), rising housing debt is of particular concern, since housing typically is the major asset elderly families have, and leveraging it at this point in their lives may leave them without a major resource to finance an adequate retirement, especially after the downturn in the housing market during 2008–2009.

Percentage With Debt

A growing share of older American families had incurred debt through 2007, particularly those ages 55–64—the ages right before or at the start of retirement. The percentage of American families with a head age 55 or older who have some level of debt was 63.0 percent in 2007 (Figure 1), almost 3 percentage points higher than the 2004 level of 60.6 percent, 7 percentage points higher than the 2001 level of 56.0 percent, and up nearly 10 percentage points from the 1992 level of 53.8 percent.

Over all age groups, the incidence of debt decreases significantly as the family head ages; i.e., in 2007, 81.7 percent of families with heads ages 55–64 held debt, compared with 31.2 percent of those with heads ages 75 or older. While the percentage with debt increased for both those families with a head age 55–64 and 65–74, the percentage with debt among those families with a head age 75 or older declined from 40.3 percent in 2004 to 31.2 percent in 2007. This was after a significant increase from 29.0 percent in 2001. Each age group has significantly higher percentage with debt than it had at the low point (1998) of the 1992–2007 study period.

The presence of debt also increases with the family's income. In 2007, 44.2 percent of families in the lowest-income quartile had debt, compared with 78.5 percent of those in the top income quartile (Figure 2). Families in the third (51 percent to 75 percent) income quartile had the largest percentage point increase in the incidence of debt from 2004–2007. Prior to the increases in 2004 for families with the lowest-income quartiles, the relative percentages with debt across income quartiles had been stable from 1992–2001. The 2007 debt levels for these low-income families declined close to the levels that had been maintained from 1992–2001, but families in the higher two income quartiles reached new highs—in particular, families in the third income quartile.

Debt Levels

As the percentage of families with a head age 55 or older *with any debt* increased from 1992–2007, the *average total debt* level also increased: from \$32,191 (2007 dollars) in 1992 to \$70,370 in 2007; the *median debt level* (half above, half below) of those with debt increased from \$15,923 to \$43,000 (Figure 3). This was a real increase in the average and median debt levels by 118.6 percent and 170.0 percent, respectively, from 1992.³

However, the debt levels differed significantly across various family characteristics. Families with younger heads, higher income, more educated family heads, and higher net worth had significantly higher average and median debt levels. Furthermore, families with working or white family heads and married families also had significantly higher average levels of debt. For example, in 2007, among those with debt, families with a head age 55–64 had a median debt of \$60,040, compared with \$14,800 for those headed by someone age 75 or older.

While the substantial increases in debt levels from 1992–2007 can be construed as a negative result for these families, debt levels do not tell the full story of their financial well-being. If income and assets grew at a pace faster than these debt levels, these families would actually be in a better financial position despite the increased debt levels.⁴ The next two sections of this article examine these debt levels relative to income and assets:

- For income, the amount of debt service is examined by using required debt payments relative to *family income*.
- In contrast, for assets, outstanding debt is measured relative to *total assets*.

Debt Payments

The first measure of the indebtedness of the near elderly (age 55–64) and elderly (age 65 and over) is the percentage of family income that debt payments represent. From 1992–2007, debt payments were approximately 9 percent of family income, ranging from a low of 8.5 percent in 1995 to a high of 10.8 percent in 2007 (Figure 4). However, the debt payment percentage has trended upward since 2001. As the age of the family head increased, the debt payment percentage decreased, going from 12.7 percent for families with heads ages 55–64 in 2007 to 4.5 percent for those age 75 or older. While the *percentage of income* that debt payments represented for those families with a head age 55–74 increased, the *percentage of debt payments* decreased for families with a head age 75 or older from 7.7 percent in 2004 to 4.5 percent in 2007.

Across the three lowest income quartiles of these families, the percentage of income that debt payments represented in 2007 ranged from 13.3 percent for those with incomes in the second quartile to 18.3 percent for those in the third quartile, with the first (lowest) income quartile at 16.0 percent (Figure 5). There was a significant dropoff in this percentage for those in the fourth (highest) income quartile, at 8.6 percent. The debt payment percentages for those in the first and third quartiles were by far the highest percentages in the time period of this study, where the next-highest level was 13.7 percent for the third income quartile in 2004. Consequently, as these data show, families in the first and third income quartiles have taken on a tremendous level of debt payments since 2004.

Figure 1
Percentage of American Families With Head Age 55 or Older
With Debt, by Age of Family Head, 1992–2007

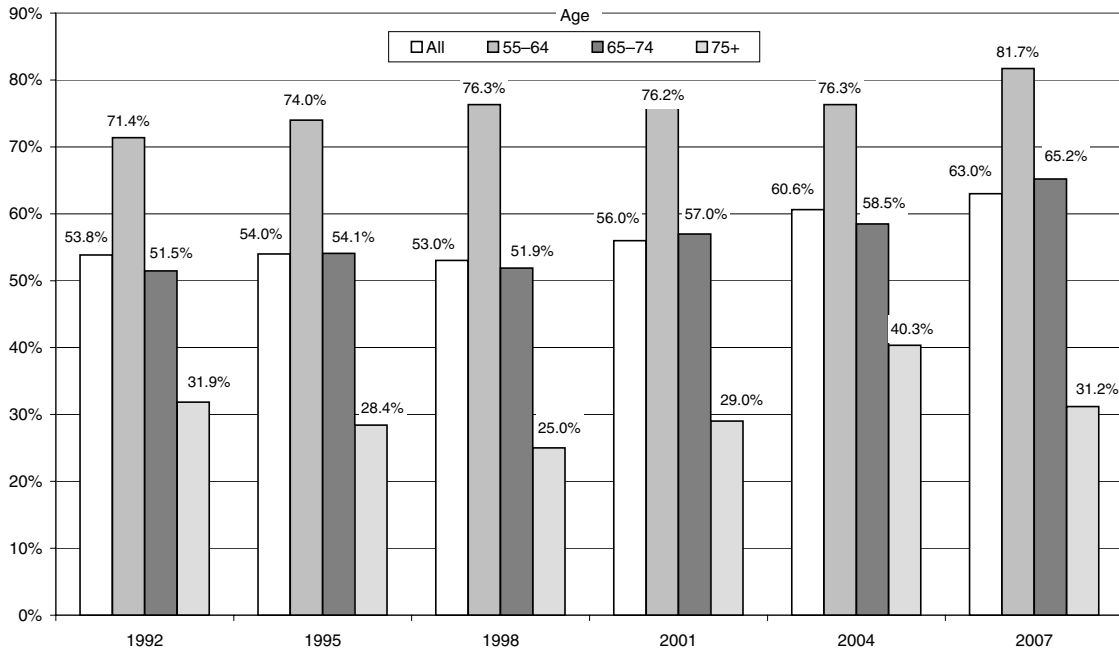


Figure 2
Percentage of American Families With Head Age 55 or Older
With Debt, by Income Quartile, 1992–2007

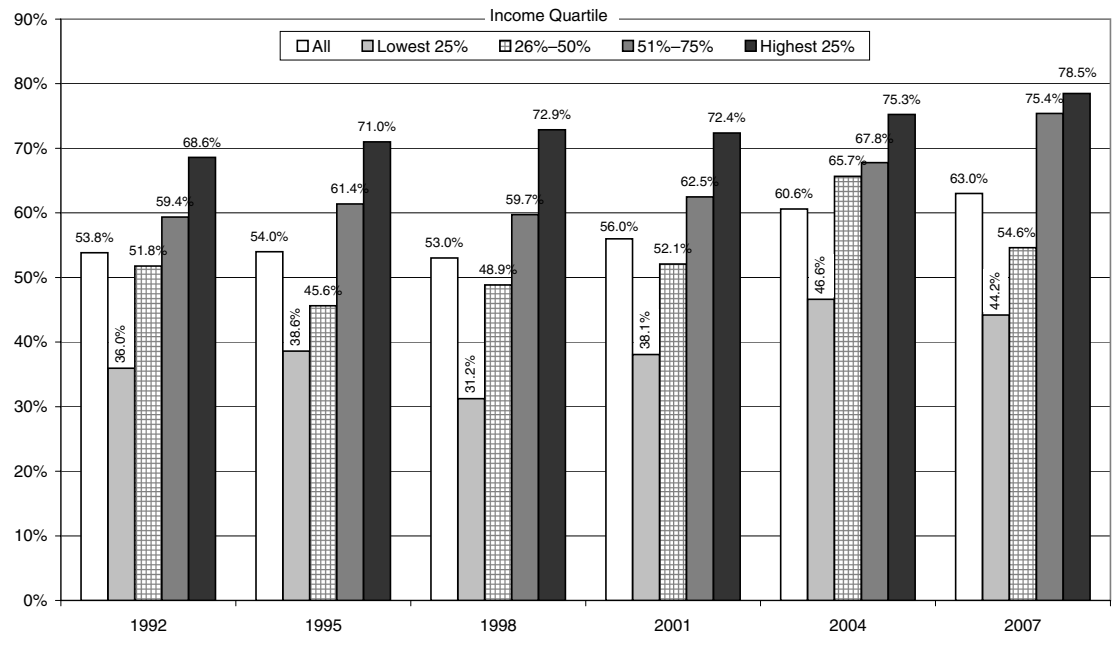


Figure 3
Average Total Debt and Median Total Debt for Those With Debt For Families
With Head Age 55 or Older, by Various Characteristics, 1992–2007

Category	1992		1995		1998		2001		2004		2007	
	Average	Median with debt	Average	Median with debt	Average	Median with debt	Average	Median with debt	Average	Median with debt	Average	Median with debt
All	\$32,191	\$15,923	\$34,058	\$14,873	\$44,189	\$28,292	\$45,354	\$26,905	\$56,882	\$35,146	\$70,370	\$43,000
Age of Family Head												
55–64	55,952	28,951	62,371	28,462	78,900	44,691	76,227	40,943	92,781	51,620	106,973	60,040
65–74	24,480	7,238	27,484	10,276	35,607	15,279	40,842	15,324	40,097	27,458	69,602	40,130
75 or older	8,533	4,632	6,057	2,569	9,948	10,288	10,487	5,849	22,223	16,255	13,043	14,800
Race of Family Head												
White, nonHispanic	32,266	17,371	36,059	16,901	45,451	29,794	45,797	25,502	60,766	37,342	71,898	47,600
Other	31,851	8,613	24,118	11,899	37,231	19,736	43,041	29,245	41,266	29,654	63,868	28,000
Family Income (2007 \$s)												
Less than \$10,000	6,171	1,592	4,747	2,028	3,849	4,584	3,975	1,287	18,093	3,295	21,252	6,340
\$10,000–\$24,999	7,429	4,343	8,641	5,408	12,938	5,602	11,890	8,189	13,823	10,983	14,575	12,000
\$25,000–\$49,999	19,047	12,478	20,094	15,292	23,993	31,831	22,283	16,342	27,050	23,504	35,084	28,200
\$50,000–\$99,999	33,814	27,894	40,985	24,338	52,414	44,819	43,160	32,754	61,440	48,325	87,210	74,100
\$100,000 or more	160,576	84,682	162,180	85,183	179,379	108,545	166,705	128,678	175,910	156,178	216,834	187,000
Family Status												
Married	48,336	24,058	50,629	24,338	63,498	38,707	61,869	32,754	84,713	49,424	107,704	74,000
Single male	29,356	14,765	33,696	6,774	48,886	39,471	39,298	30,415	40,240	32,949	45,454	20,220
Single female	11,024	4,936	10,543	6,355	16,204	11,077	18,018	10,528	22,315	13,729	27,290	18,000
Education of Family Head												
Below HS diploma	12,426	6,007	13,744	10,276	11,415	10,313	13,154	10,084	13,602	10,983	19,514	20,000
HS diploma	20,295	10,784	27,270	14,724	24,742	24,192	22,799	18,728	25,901	21,966	39,808	20,100
Some college	35,022	22,336	37,712	13,521	48,358	38,707	41,756	24,566	71,990	42,120	73,352	55,000
College degree	74,244	43,427	72,120	33,803	96,058	53,782	98,084	70,188	104,354	90,061	129,299	100,000
Net Worth Percentile*												
Lowest 25%	6,436	3,401	10,161	5,747	14,607	8,149	16,725	7,580	18,285	11,499	25,266	13,000
25%–49%	12,932	9,278	21,027	14,738	31,257	26,229	21,115	17,395	39,248	30,225	50,979	40,000
50%–75%	21,991	21,959	19,917	17,307	24,659	31,831	37,141	40,826	48,297	43,932	59,137	46,000
75%–90%	37,164	39,953	32,815	22,986	41,142	47,111	51,177	36,229	75,118	65,898	78,427	90,000
Top 10%	162,837	58,771	163,645	124,395	203,713	106,954	189,262	140,376	182,417	179,023	247,851	215,000
Working Status of Family Head												
Works for												
someone else	46,606	25,853	48,273	19,335	65,643	42,018	63,118	37,831	84,823	52,609	106,281	76,550
Self-employed	139,748	58,047	146,057	56,789	135,730	40,744	135,200	71,358	135,060	77,979	181,408	98,000
Retired	14,778	8,685	15,094	8,248	20,235	12,860	18,918	11,698	26,193	18,671	30,475	20,000
Other nonwork	10,461	2,171	20,115	5,408	29,495	19,099	19,903	5,849	96,492	14,168	124,130	49,100

Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

* Net worth percentiles are for the families with a head age 55 or older, not for all families.

Note: All dollar amounts are in 2007 dollars.

Drivers of Debt

The change in the level of debt payments was driven by the level of housing debt for families with a head age 55–74, while the change in nonhousing (consumer) debt led to the decrease in debt payments for those age 75 or older. The share of income that went to housing debt payments increased significantly for those families with heads ages 55–64 or 65–74 in 2007, even after the increase in 2004. In particular, the share of income that housing debt payments accounted for among families with heads ages 55–64 increased from 6.5 percent in 2001 to 8.1 percent in 2004 to 9.1 percent in 2007 (Figure 6).

In contrast, for the oldest elderly (those families with a head age 75 or older), virtually all of the decrease in the debt payment percentage was attributable to the decrease in nonhousing debt (1.3 percent in 2007, down from 4.1 percent in 2004), while housing debt was virtually unchanged (3.2 percent in 2007, compared with 3.6 percent in 2004).

Overall, for the families with heads age 55 or older, the share of housing debt payments increased from 65 percent of income in 2004 to 71 percent in 2007 (calculated from Figure 6).

Excessive Debt Levels

Looking at the *average debt payment* as a percentage of income does not tell how many people are in a difficult situation with debt, since the average can mask a wide distribution of the debt percentages. A threshold level commonly used for determining whether a family has a problem with excessive debt is when debt payments exceed 40 percent *of income*. By that standard, excessive debt is growing sharply: The proportion of near-elderly and elderly families surpassing this threshold increased significantly, from 7.3 percent in 2004 to 9.9 percent in 2007 (Figure 7). This change from 2004–2007 was a result of the surge in families with heads ages 55–74 whose debt payment was above the 40 percent threshold, as families with a head age 75 or older had a decline in the percentage with debt payments above this threshold. Among those families with heads ages 55–64, the proportion above the 40 percent threshold increased from 7.9 percent in 2004 to 12.5 percent in 2007, and for families with heads ages 65–74, it rose from 7.9 percent to 11.2 percent during this period. These percentages significantly surpass the previous high of 10.6 percent for families with heads ages 55–64 in 1995. This contrasts sharply for families with heads age 75 or older, who had a significant decrease in the proportion above the 40 percent threshold, falling to 4.3 percent in 2007 from 5.9 percent in 2004.

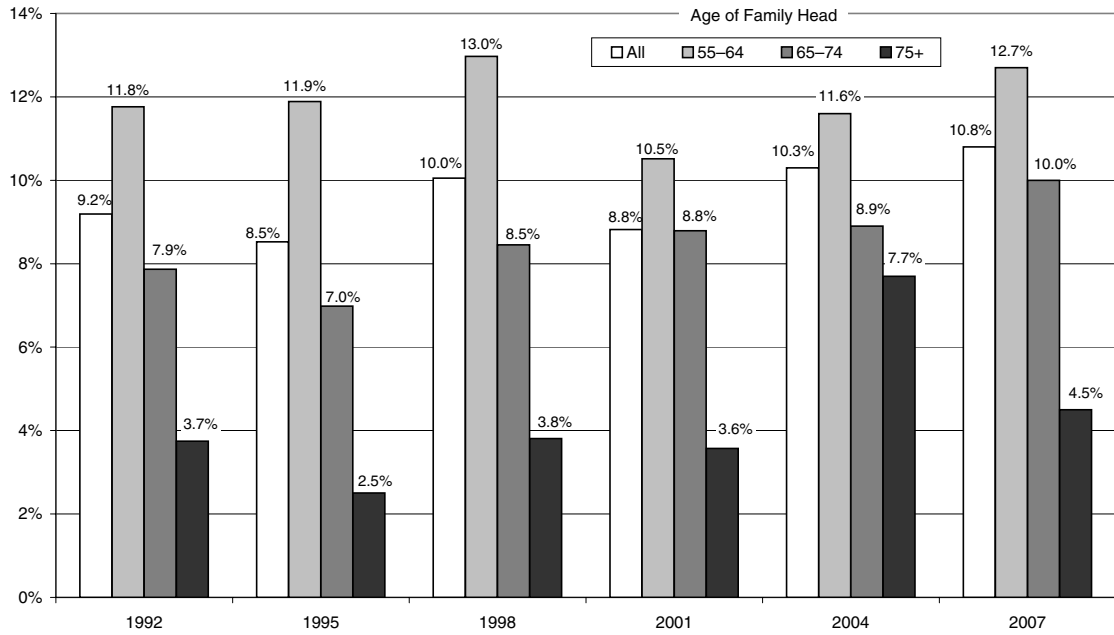
The share of families with debt payments above 40 percent of income was lowest for those families in the highest quartile of income in 2007, as well as in all years prior to 2007 in the study (Figure 8). However, for families in the third-highest quartile of income, the proportion above the 40 percent threshold (11.7 percent) was higher than for families in the second quartile of income (9.5 percent). Yet, the percentage of families in the lowest quartile of income had the highest proportion above the threshold, at 13.2 percent. In addition to the overall percentage being the highest during the study period, each quartile of income also had its highest percentage above the 40 percent threshold. Consequently, the percentages of families with troublesome levels of debt payments by income were at their highest levels in 2007.

Overall *debt levels, percentage with debt, debt payments as a percentage of income, and percentage of families with debt payments greater than 40 percent of their income* all increased from 1992 to 2007. Furthermore, *housing debt* increased across all age groups, making up more than 70 percent of all debt. However, families with the oldest heads had decreased levels of debt from 2004–2007, but at levels above 1992.

Debt as a Percentage of Assets

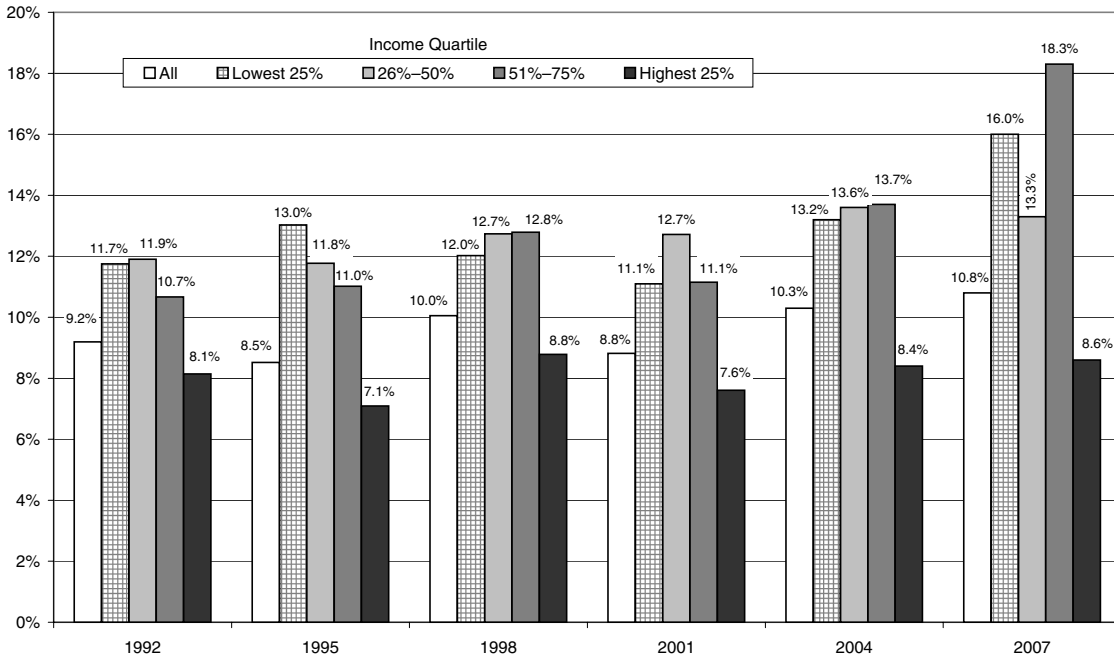
Debt as a percentage of *total assets* for the near elderly and elderly families was virtually unchanged at approximately 7.0 percent from 1992–1998, but it decreased in 2001 to less than 6.0 percent before increasing back to near 7 percent (at 6.8 percent) in 2004 (Figure 9). In 2007, the percentage increased to 7.4 percent—the highest percentage over the study period. Almost all of this decrease from 1998–2001 was a result of a lower percentage of nonhousing debt

Figure 4
Total Debt Payments as a Percentage of Income Among Families With Head Age 55 or Older, by Age of Family Head, 1992–2007



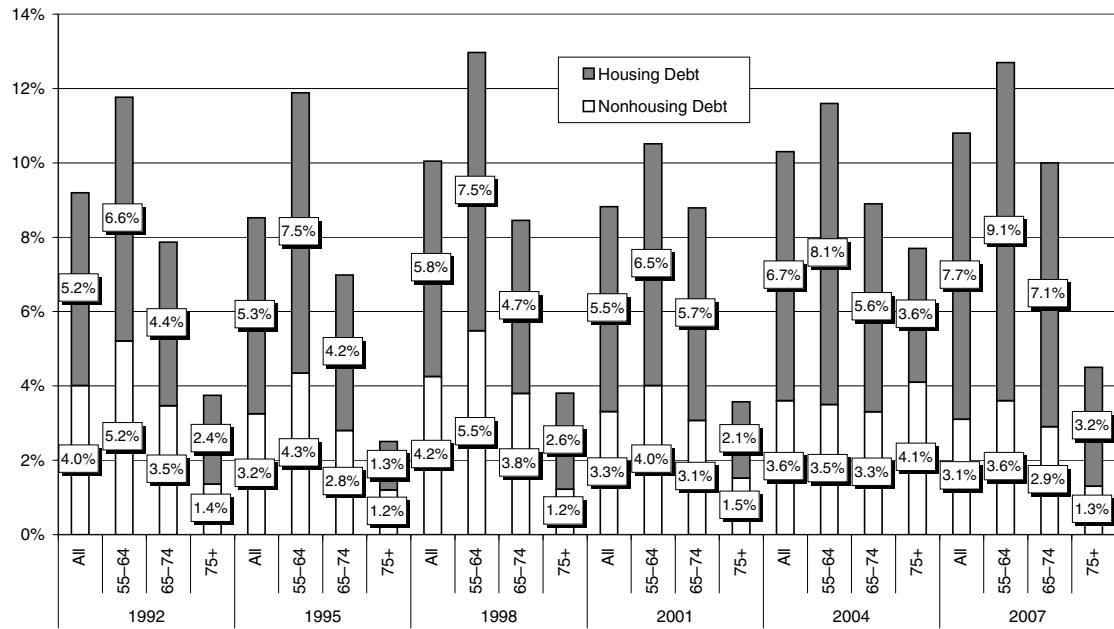
Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Figure 5
Total Debt Payments as a Percentage of Income for Families With Head Age 55 or Older, by Income Quartile, 1992–2007



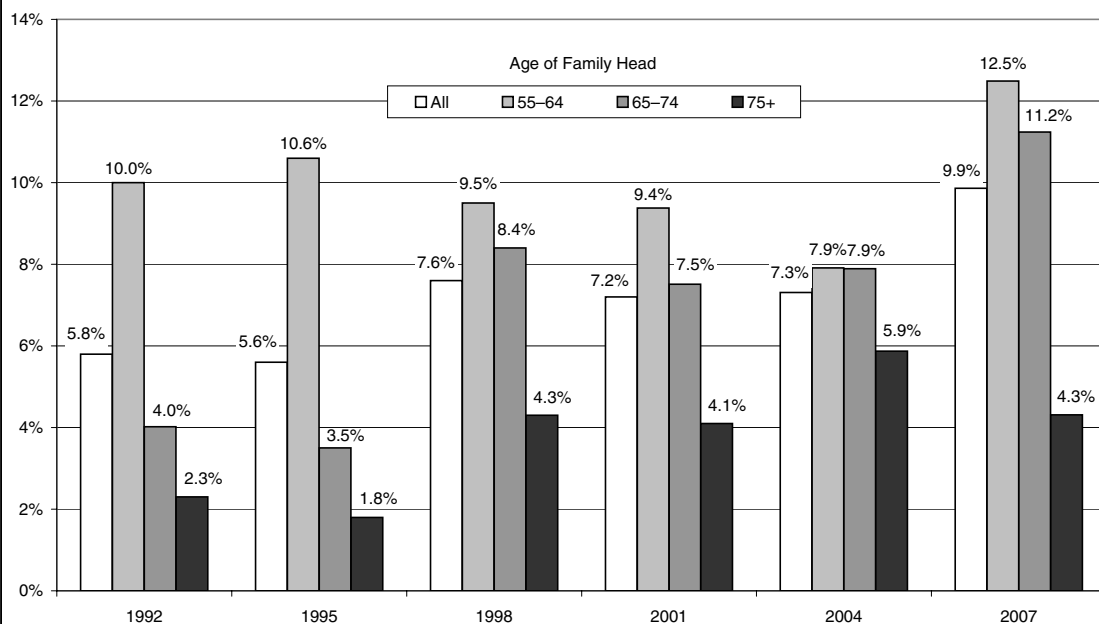
Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Figure 6
Total Housing and Nonhousing Debt Payments as a Percentage of Income
Among Families With Head Age 55 or Older, by Age of Head, 1992–2007



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Figure 7
Percentage of American Families With Head Age 55 or Older Who Have Debt
Payments of Greater Than 40 Percent of Income, by Age of Head, 1992–2007



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

relative to assets. Nonhousing debt decreased from 3.2 percent in 1998 to nearly 2.3 percent of assets in 2001. After a relatively steady level of housing debt relative to assets from 1992–2001, housing increased from 3.5 percent in 2001 to 4.7 percent in 2004 and reached 5.3 percent in 2007. Consequently, while *nonhousing* debt as a share of assets has remained relatively low recently, *housing* debt as a share of assets has increased markedly.

As with the debt level, the share of family assets that debt represents varied significantly across various characteristics of family heads (Figure 10): Overall, it decreased significantly as both the family head's age and the family's net worth increased. By age of the family head, the debt-to-asset ratio decreased in 2007 from 10.3 percent for those ages 55–64 to 2.0 percent for those 75 or older. The lowest net worth families stand out as having by far the highest debt-to-asset ratio, at 57.4 percent in 2007. Other groups of families with high debt-to-asset levels relative to the rest of the families (but not anywhere near the lowest net worth families):

- The second and third net worth quartiles of families.
- Families with a head who “works for someone else” or is in the “other nonwork” category.
- Families that do not have a white, nonHispanic head; i.e., minority families.
- Families that have family incomes in the \$50,000–\$99,999 category.

The *overall* debt-to-asset ratio for those 55 or older increased to 7.4 percent in 2007, up from 6.8 percent in 2004. The 2007 level is consistent with the years prior to 2001, when the level was near 7.0 percent. However, the *median* debt-to-asset ratio for those with debt also increased to 16.0 percent in 2007, up from 14.4 percent in 2004. Therefore, while total debt as a percentage of total assets has held relatively close to the level in 1992, the percentage of debt for those with it has grown significantly (16.0 percent in 2007, up from 10.1 percent in 1992).

Families with heads ages 65–74 had particularly large increases in the median debt-to-asset ratio of those having debt, reaching 14.9 percent in 2007, up from 5.6 percent in 1992. Furthermore, families in the lowest net worth percentile had a significant increase in their median debt-to-asset ratio, up from 24.0 percent in 1992 to 59.3 percent in 2007.

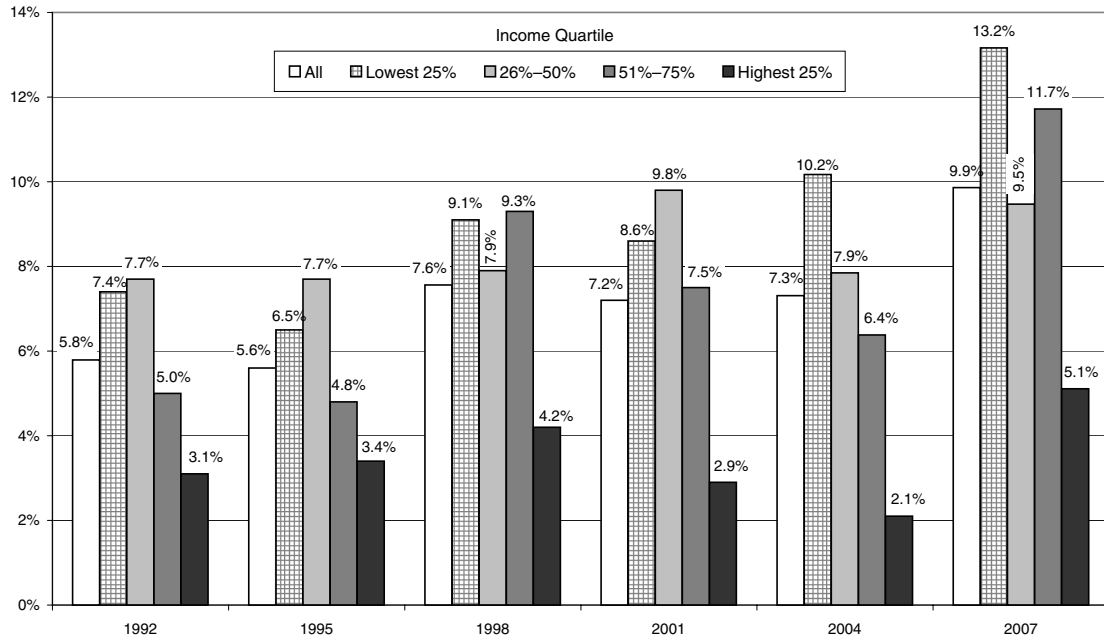
Credit Card and Housing Debt

The proportion of families with a head age 55 or older with housing debt increased steadily, from 24 percent in 1992 to 40 percent in 2007, while the percentage with credit card debt held steady at around 31 percent, before the uptick to 34 percent in 2004 and 38 percent in 2007 (Figure 11). The age group with the largest percentage point increase in credit card debt was those with family heads age 55–64, increasing from 37 percent in 1992 to 50 percent in 2007. This age group also had a significant increase in the proportion with housing debt, going from 41 percent in 1992 to 55 percent in 2007. However, families in the 65–74-year-old age group had the largest increase in housing debt, rising from 18 percent in 1992 to 43 percent in 2007. The percentages of families with heads age 75 or older with credit card debt or housing debt decreased from 2004–2007, but are at levels above or nearly equal to those before 2004.

Along with the increase of families with credit card debt, the median amount owed by those having this debt also increased: to \$3,000 in 2007, up from \$2,197 (2007 dollars) in 2004 (Figure 12). This increase was largest for families with a head age 55–64, where the median amount owed increased from \$2,416 in 2004 to \$3,600 in 2007. The median amount for families with a head age 75 or older actually decreased, from \$1,098 to \$800 over the period.

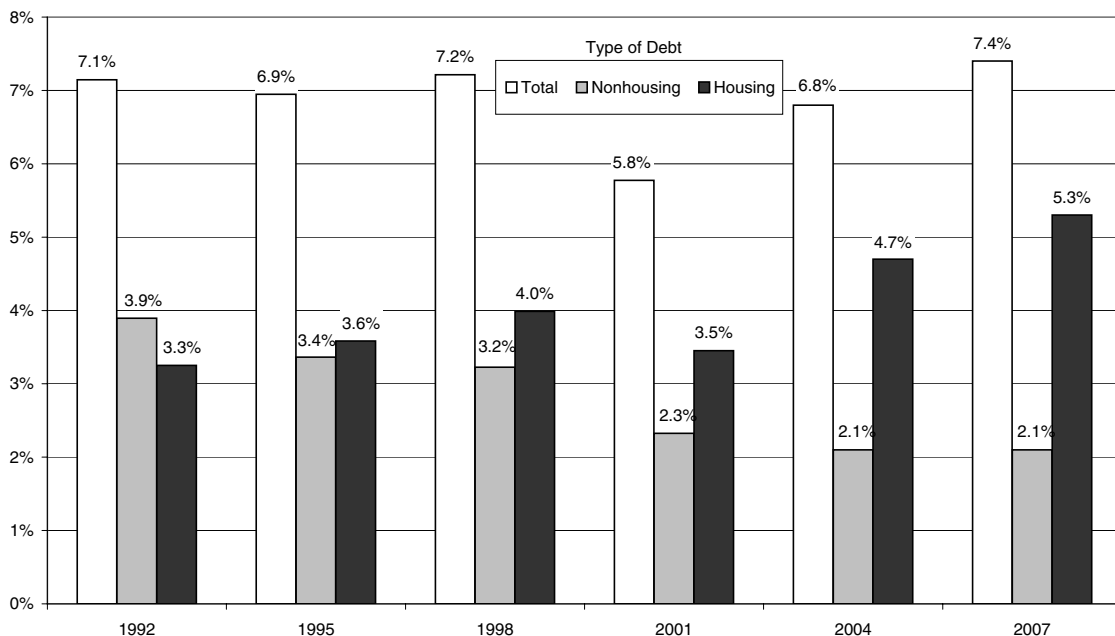
The median housing debt, among those having housing debt, also increased to \$79,000 in 2007, up from \$65,898 (2007 dollars) in 2004 (Figure 13). The largest increase was for those families with heads ages 65–74, going from \$56,013 in 2004 to \$69,000 in 2007—a 23 percent increase. While there was also an increase in the median debt of families with a head age 75 or older with housing debt, the median amount owed declined for families with a head age 55–64, from \$91,159 in 2004 to \$85,000 in 2007.

Figure 8
Percentage of American Families With Head Age 55 or Older With Debt Payments Greater Than 40 Percent of Their Income, by Income Quartile, 1992–2007



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Figure 9
Total, Nonhousing, and Housing Debt as a Percentage of Assets for American Families With Head Age 55 or Older, 1992–2007



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Figure 10

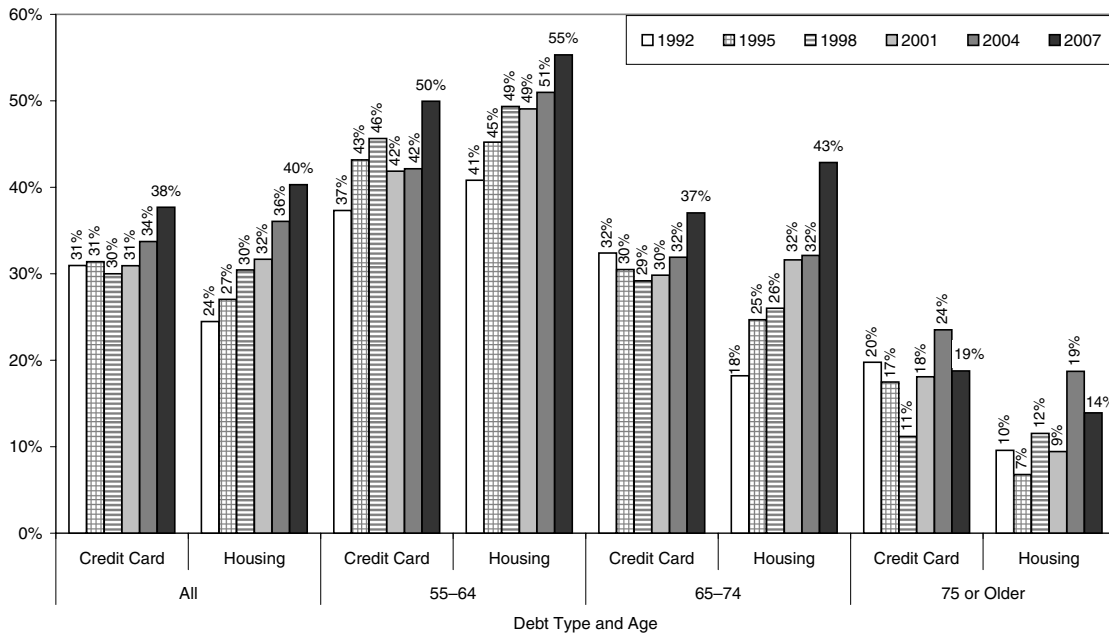
**Total Debt as a Percentage of Assets, Percentage With Debt, and Median Total Debt-to-Asset Ratio
For Those With Debt, for Families With Head Age 55 or Older, by Various Characteristics, 1992–2007**

Category	1992			1995			1998			2001			2004			2007					
	Debt as a percent of assets	Median debt-to-asset ratio ^a	Percent with debt	Debt as a percent of assets	Median debt-to-asset ratio ^a	Percent with debt	Debt as a percent of assets	Median debt-to-asset ratio ^a	Percent with debt	Debt as a percent of assets	Median debt-to-asset ratio ^a	Percent with debt	Debt as a percent of assets	Median debt-to-asset ratio ^a	Percent with debt	Debt as a percent of assets	Median debt-to-asset ratio ^a	Percent with debt			
All	7.1%	10.1%	53.8%	6.9%	11.5%	54.0%	7.2%	12.8%	53.0%	12.8%	55.0%	5.8%	12.1%	56.0%	6.8%	12.1%	60.6%	7.4%	63.0%	16.0%	
Age of Family Head																					
55–64	10.2	15.6	71.4	10.8	15.7	74.0	10.4	17.6	76.3	17.6	8.2	8.2	14.9	76.2	9.1	14.9	76.3	10.3	81.7	18.8	
65–74	5.6	5.3	51.5	5.5	6.9	54.1	5.6	8.8	51.9	8.8	4.9	4.9	9.3	57.0	5.0	9.3	58.5	6.4	65.2	14.9	
75 or older	2.6	31.9	5.2	1.7	28.4	2.6	2.4	25.0	25.0	5.5	1.9	1.9	4.7	29.0	3.7	4.7	40.3	2.0	31.2	8.3	
Race of Family Head																					
White, nonHispanic	6.4	51.6	9.1	6.5	10.2	51.6	6.7	12.1	51.7	12.1	5.2	5.2	10.4	55.0	6.2	10.4	60.3	6.8	60.7	14.6	
Other	15.7	64.0	13.5	12.9	19.0	65.8	14.7	20.2	60.3	20.2	15.0	15.0	20.8	61.3	15.6	20.8	61.7	14.4	72.9	23.4	
Family Income (2007 \$s)																					
Less than \$10,000	9.2	37.4	5.0	5.7	10.1	36.5	4.0	12.9	28.4	12.9	5.4	5.4	10.0	29.6	13.0	10.0	38.4	8.8	35.7	10.2	
\$10,000–\$24,999	6.0	44.8	9.8	6.5	11.1	43.6	8.3	10.0	40.4	10.0	8.1	8.1	15.2	44.4	7.7	15.2	45.8	7.9	47.5	14.6	
\$25,000–\$49,999	6.9	59.1	8.6	7.6	11.6	55.6	8.2	14.2	53.6	14.2	6.9	6.9	13.6	57.6	7.2	13.6	64.3	9.1	64.2	20.3	
\$50,000–\$99,999	6.9	59.1	10.0	7.5	10.9	71.3	9.9	15.4	66.5	15.4	6.6	6.6	11.4	65.6	8.5	11.4	68.5	12.0	77.2	17.8	
\$100,000 or more	7.4	78.3	12.0	6.6	12.3	69.2	6.0	10.8	74.0	10.8	5.2	5.2	10.1	73.4	5.9	10.1	75.7	6.0	79.5	14.0	
Family Status																					
Married	7.4	62.8	10.5	7.4	12.3	62.5	7.2	12.5	62.6	12.5	5.5	5.5	10.8	63.7	6.9	10.8	68.7	7.5	72.4	15.9	
Single male	7.8	43.6	12.9	6.9	11.5	46.3	8.2	17.5	46.8	17.5	6.8	6.8	17.5	54.9	6.1	17.5	53.3	6.8	54.6	15.4	
Single female	5.5	45.1	7.5	4.9	8.2	44.4	6.6	13.1	42.0	13.1	6.4	6.4	11.1	42.4	7.0	11.1	51.7	7.7	53.1	16.7	
Education of Family Head																					
Below HS diploma	8.0	45.0	10.9	8.2	17.6	47.4	7.2	12.0	41.0	12.0	6.8	6.8	14.4	46.1	5.6	14.4	43.4	8.4	44.8	22.9	
HS Diploma	6.5	55.8	7.4	7.8	11.1	57.1	6.8	13.5	47.6	13.5	5.9	5.9	13.9	53.6	6.6	13.9	59.7	9.6	63.6	14.6	
Some college	6.5	49.3	12.4	6.8	8.7	57.8	7.0	15.7	62.1	15.7	6.5	6.5	10.2	60.0	9.7	10.2	70.9	9.8	67.9	22.1	
College degree	7.4	67.2	11.2	6.3	8.5	56.9	7.4	12.2	66.1	12.2	5.5	5.5	11.4	64.9	6.4	11.4	67.3	6.5	69.6	14.9	
Net Worth Percentile^b																					
Lowest 25%	32.2	48.3	24.0	45.0	47.9	49.1	45.2	40.6	48.6	40.6	45.3	45.3	42.7	56.0	48.7	42.7	56.3	57.4	57.5	59.3	
25%–49%	12.3	53.1	9.9	18.4	14.1	57.8	21.5	19.4	59.9	19.4	14.8	14.8	13.9	56.4	22.0	13.9	66.9	25.4	66.9	22.5	
50%–75%	9.0	56.3	9.1	8.1	7.7	54.3	8.3	10.8	45.7	10.8	9.9	9.9	11.4	54.1	11.3	11.4	62.6	13.3	64.2	11.4	
75%–90%	7.0	54.4	7.3	6.2	4.6	52.9	6.5	7.0	52.1	7.0	5.8	5.8	4.8	54.8	7.8	4.8	59.9	8.2	60.2	9.1	
Top 10%	5.8	62.5	3.4	5.2	7.2	57.7	5.1	4.1	66.5	4.1	3.7	3.7	4.8	61.3	3.7	4.8	55.1	3.9	68.6	5.2	
Working Status of Family Head																					
Works for someone else	10.1	78.5	13.0	10.3	14.1	78.3	13.5	17.9	80.5	17.9	10.9	10.9	15.8	79.2	11.7	15.8	78.5	12.9	80.9	22.6	
Self-employed	8.8	71.1	11.3	8.2	12.3	69.7	6.6	10.8	74.2	10.8	6.2	6.2	10.4	73.5	5.2	10.4	74.7	5.6	79.5	9.2	
Retired	4.7	44.9	8.2	4.3	43.3	43.3	4.5	9.0	38.7	9.0	3.2	3.2	8.6	42.8	4.6	8.6	47.9	4.8	49.6	11.7	
Other nonwork	5.0	35.4	5.3	8.0	49.0	49.0	9.9	16.5	37.7	16.5	4.0	4.0	4.0	22.7	19.8	4.0	79.7	13.0	84.1	26.0	

Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

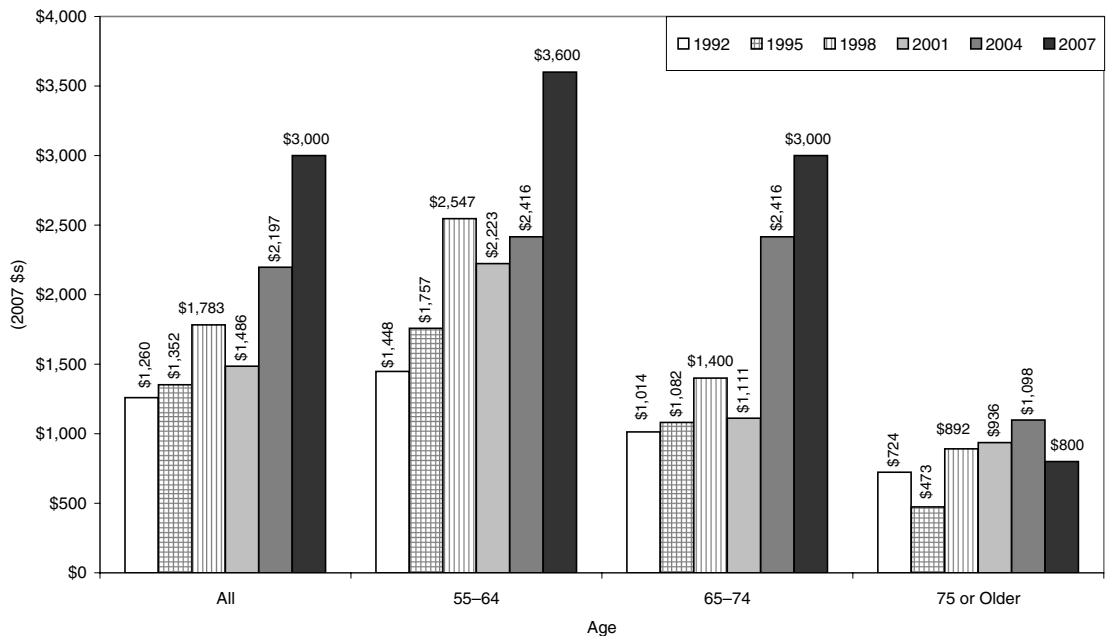
^aThis includes only those who have debt.^bNet worth percentiles are for the families with a head age 55 or older, not for all families.

Figure 11
Percentage of American Families With Head Age 55 or Older With Credit Card Debt and Housing Debt, by Age of Family Head, 1992–2007



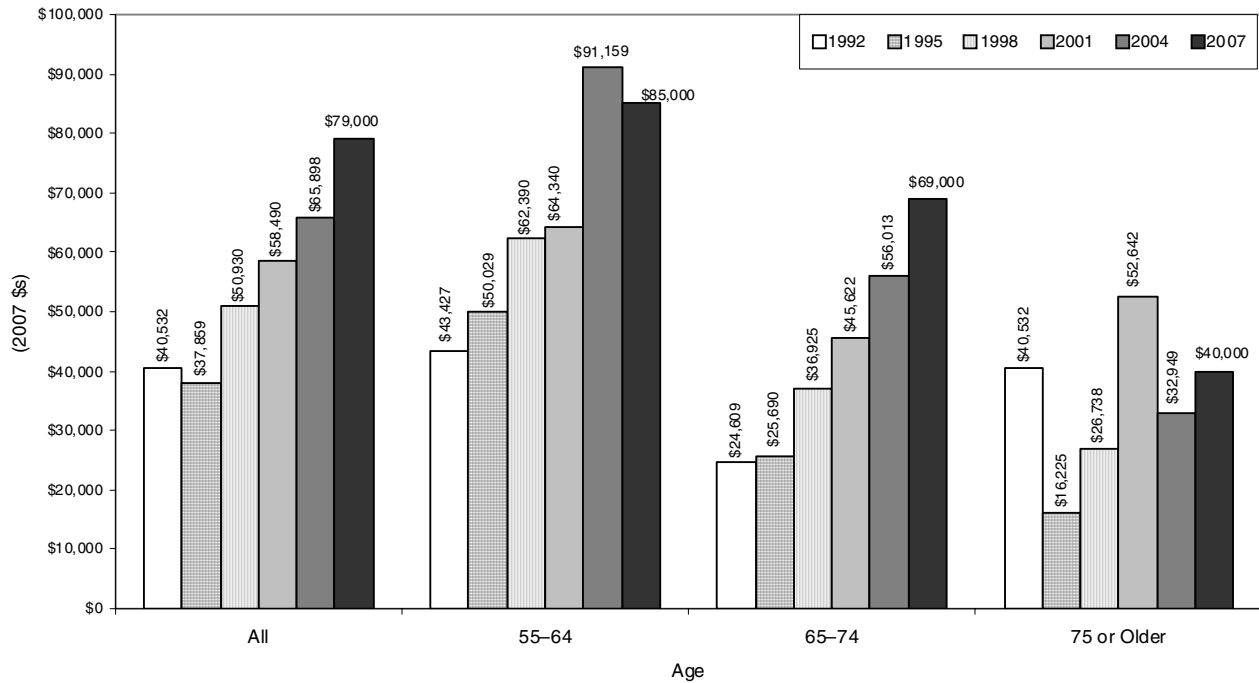
Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Figure 12
Median Credit Card Debt for Those Families With a Head Age 55 or Older With Credit Card Debt, by Age of Family Head, 1992–2007



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Figure 13
Median Housing Debt for Families With Head Age 55 or Older
Who Have Housing Debt, by Age of Family Head, 1992–2007



Source: Employee Benefit Research Institute estimates from the 1992, 1995, 1998, 2001, 2004, and 2007 Survey of Consumer Finances.

Conclusion

The percentage of American families with heads age 55 or older that have debt increased in 2007, reaching 63 percent. Furthermore, the percentage of debt payments *relative to income* and debt *relative to assets* also increased for these families in 2007. However, families with the oldest (75 or older) heads had a decrease in their debt levels, except for those families this age with housing debt.

What drove this sharply higher debt burden for these Americans? Data indicate the sharp increase in housing debt was due to many homeowners refinancing their mortgages, cashing out equity in their home, or facing rapidly increasing home values during 2001–2007, when buying a home. The largest increases in debt were found among families with near-elderly heads (ages 55–64) and incomes in the first through third income quartiles. Of particular note is the growing proportion of Americans with dangerous levels of debt, as the percentage of these families with debt payments greater than 40 percent of income reached levels significantly above prior years' highs.

This increasing level of debt has obvious and serious implications for the future retirement security of many Americans. The major implication is that more families have at risk what is typically their most important asset—their home. Consequently, older families that take on higher housing debt are likely to have difficulty avoiding a major lifestyle change in living arrangements for the remainder of their retirement, if they are or were planning to rely on their home as an asset. This is playing out as the recent downturn in the housing market has led to an increase in delinquent mortgage payments and home foreclosures.

These results are troubling as far as retirement preparedness is concerned, in that American families just reaching retirement or newly retired are more likely to have debt—and significantly higher levels of debt—than past generations. Furthermore, inasmuch as debt incidence and families with excessive debt payments reached their highest levels in 2007 since 1992—i.e., before the economic downturn of 2008—these measures of debt have almost certainly

significantly worsened from these already-record levels. Consequently, even more near-elderly and elderly families are likely at risk for severe changes in lifestyle after retirement.

In other work by the Employee Benefit Research Institute,⁵ many workers were found that they would need to save significantly more than they currently are in order to achieve a 75 percent or 90 percent likelihood of being able to maintain the same standard of living throughout retirement. This increasing level of debt among families with heads age 55 or older, along with the reduced asset values and weakened job market of 2008, will only make it far more difficult for many people to save more for retirement in order to maintain a given standard of living. Furthermore, the increasing amount of debt that is backed by their primary residence is placing these families in a position where they could be forced to sell their homes (if they have not already done so)—something that current and past retirees, in general, have not had to do.

Endnotes

¹ See Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2004," *EBRI Notes*, no. 9 (Employee Benefit Research Institute, September 2006): 1–13, and Craig Copeland, "Debt of the Elderly and Near Elderly, 1992–2001," *EBRI Notes*, no. 4 (Employee Benefit Research Institute, April 2004): 1–13 for prior examinations of debt among this age group.

² See Brian K. Bucks, Arthur B. Kennickell, and Kevin B. Moore, "Changes in U.S. Family Finances from 2004 to 2007: Evidence from the Survey of Consumer Finances," *Federal Reserve Bulletin*, Vol. 95 (February 2009): A1–A55 www.federalreserve.gov/pubs/bulletin/2009/pdf/scf09.pdf (last reviewed August 2009) for more information on the Survey of Consumer Finances.

³ All dollar amounts in this report are in 2007 dollars.

⁴ Although the families may be in a better financial position, this does not mean that they are in an "ideal" financial position.

⁵ See Jack VanDerhei and Craig Copeland, "Can America Afford Tomorrow's Retirees: Results From the EBRI-ERF Retirement Security Projection Model," *EBRI Issue Brief*, no. 263 (Employee Benefit Research Institute, November 2003).

The Relationship Between Union Status and Employment-Based Health Benefits

By Paul Fronstin, EBRI

Introduction

During World War II, many employers began to offer health coverage for the first time. Because the National War Labor Board (NWLB) froze wages, employers sought ways to get around the wage controls in order to attract scarce workers.¹ In 1943, the NWLB ruled that employer contributions to insurance did not count as wages, and thus did not increase taxable income and could therefore be offered in addition to wages and salaries. Because health insurance benefits were an attractive means to recruit and retain workers, and unions supported the provisions of employment-based health benefits, employers began to offer health coverage to their workers in order to be competitive in the labor market, and the number of persons with employment-based health coverage started to increase.

Since World War II, a strong relationship has existed between employment and health benefits. In 2007, 71 percent of workers had employment-based health benefits, with 54 percent covered through their own employer and an additional 17 percent covered through a family member's employer.² Considering that the cost of providing health benefits has been increasing faster than worker earnings and overall inflation, the overall percentage of workers with employment-based health benefits has remained relatively stable, falling from 75 percent in 2000 to 71 percent in 2007. However, not all workers have access to employment-based health benefits, and whether or not a worker has employment-based health benefits largely depends on job characteristics such as industry, firm size, and union status.

This article examines the relationship between health benefits and union status. Union workers are much more likely to have employment-based health benefits than nonunion workers. In September 2007, 82.7 percent of union workers were covered by health benefits through their own job, compared with 58.2 percent of nonunion workers (Figure 1). Overall, 94.2 percent of union workers had employment-based health benefits, compared with 76.4 percent of nonunion workers. Although union workers were less likely than nonunion workers to have employment-based coverage as a dependent (11.5 percent and 18.2 percent, respectively), union workers are much less likely to be uninsured. Only 2.9 percent of union workers were uninsured in September 2007, compared with 14.2 percent uninsured among nonunion workers. Since union workers account for a declining share of the working population in the private sector (Figure 2), further erosion of unionization is likely to coincide with overall erosion in the percentage of workers with employment-based health benefits.³

Figure 1
Wage and Salary Workers Ages 18–64 With Selected Sources of Health Insurance, by Union Status, September 2007

	Total	Employment-Based Coverage			Individually Purchased	Total Public	Uninsured
		Total	Own name	Dependent			
(millions)							
Total	123.6	97.6	76.2	21.3	5.0	8.1	15.6
Union	17.5	16.4	14.4	2.0	0.2	0.7	0.5
Nonunion	106.1	81.1	61.8	19.3	4.8	7.4	15.1
(percentage within coverage category)							
Total	100.0%	78.9%	61.7%	17.3%	4.0%	6.5%	12.6%
Union	100.0	94.2	82.7	11.5	1.0	4.0	2.9
Nonunion	100.0	76.4	58.2	18.2	4.5	7.0	14.2

Source: Employee Benefit Research Institute estimates of the Survey of Income and Program Participation, 2004 Panel, Wave 12.
Note: Details may not add to totals because individuals may receive coverage from more than one source.

The next section of this article examines the job characteristics of union and nonunion workers. Health benefits and job characteristics are examined for union and nonunion workers in the following section.

Trends in Coverage by Union Status and Plan Differences

Between 2003 and 2007, there was a 3 percentage point decline in the likelihood that a union worker had coverage through his or her own job. A similar decline was not experienced among nonunion workers. Specifically, in 2007, 82.7 percent of union workers had coverage from their own job (Figure 1), down from 86 percent in 2003.⁴ Most of the decline in coverage from a union worker's own job was offset by an increase in the percentage of workers covered as a dependent on someone else's employment-based health plan. Between 2003 and 2007, the percentage of union workers with coverage as a dependent increased from 9.4 percent to 11.5 percent. There was no comparable change for nonunion workers.

Premiums are higher in plans with union workers as compared with plans that have no union workers. In 2008, the premium was \$4,836 for employee-only coverage in plans with at least some union workers, whereas it was \$4,635 in plans with no union workers (Figure 3). Family premiums were \$13,009 in plans with at least some union workers, and \$12,507 in plans with no union workers. In both cases, the premiums for plans with at least some union workers were 4 percent higher than the premiums for plans with no union workers.

Workers also paid a smaller share of the premium through payroll deduction for family coverage in plans with at least some union workers as compared with plans with no union workers (Figure 4). Similarly, deductibles are traditionally lower for union workers than for nonunion workers.⁵

Union and Nonunion Worker Job Characteristics

In September 2007, 17.5 million workers were union members, accounting for 14 percent of all wage and salary workers ages 18–64 in the United States (Figure 5). Union workers were typically concentrated in jobs with high levels of employment-based health benefits.⁶ For instance, union workers were more likely than nonunion workers to work in the public sector. Union workers accounted for 40 percent of public-sector jobs in 2007. Furthermore, 50 percent of union jobs were in the public sector.

Because the erosion in unionization was limited mainly to the private sector, the public sector is accounting for an increasing share of union jobs. In 2007, 40 percent of union workers were in the public sector, up from 36 percent in 2003.

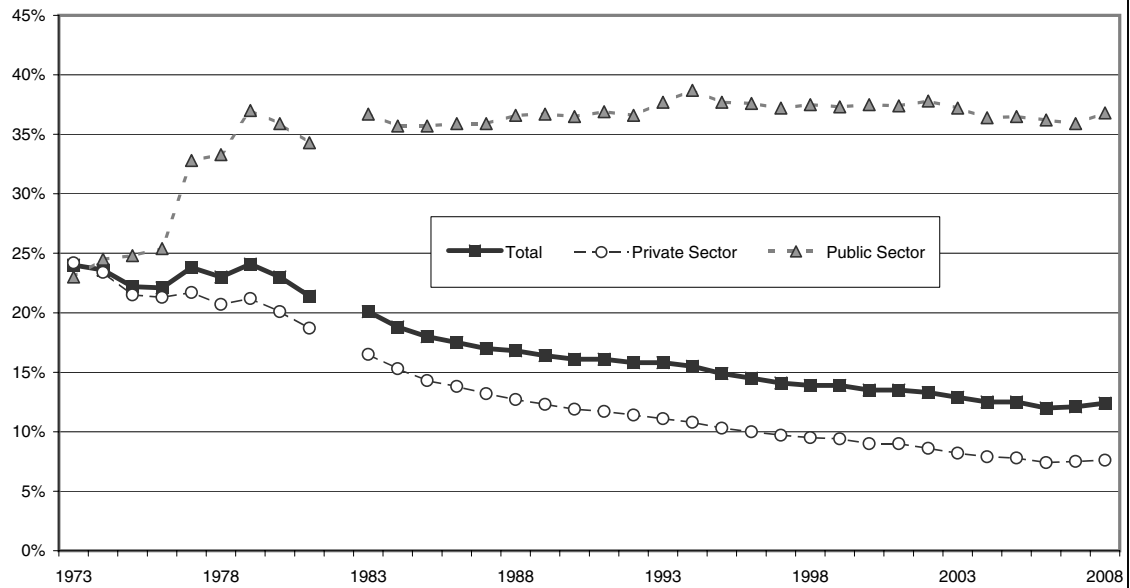
Union workers were more likely to work in the manufacturing sector than in other private sectors. Union workers accounted for 16 percent of manufacturing sector jobs. Furthermore, 21 percent of union jobs were in the manufacturing sector.

Blue-collar-type occupations were only slightly more likely than service-collar and white-collar occupations to be unionized. Eighteen percent of production, transportation, and material moving jobs and 19 percent of construction, extraction, and maintenance jobs are unionized, compared with 15 percent among service jobs and 15 percent among managerial and professional specialty jobs. However, the majority of union jobs (53 percent) were managerial and professional specialty (38 percent) or sales and office (17 percent) occupations.

Union workers were more likely than nonunion workers to be employed full-time. Sixteen percent of full-time jobs are held by union workers, compared with 10 percent of part-time jobs. Full-time jobs account for 84 percent of union jobs.

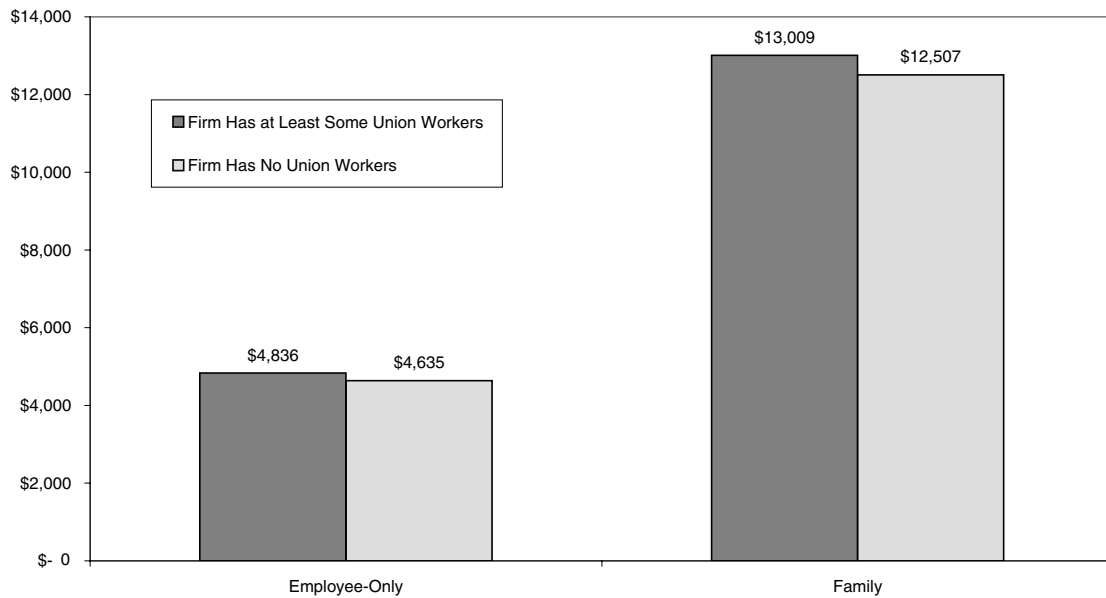
Finally, relatively higher-paying jobs were more likely to have union workers than lower-paying jobs. For example, among workers earning \$50,000 or more annually, 19 percent were in a union, compared with only 11 percent among workers in jobs with annual earnings of \$20,000–\$29,999. Among union workers, 39 percent earned \$50,000 or more. However, among nonunion workers, 26 percent earned \$50,000 or more.

Figure 2
Unionized Wage and Salary Workers, Age 16 and Older, 1973–2008



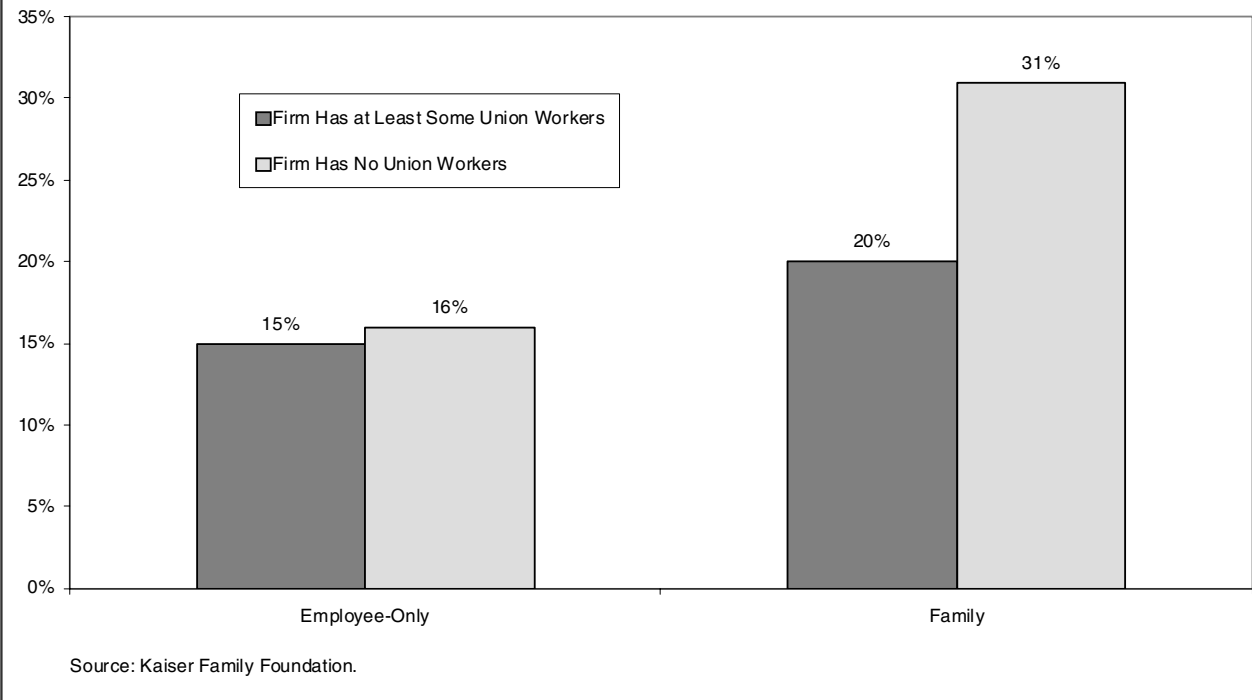
Source: www.unionstats.com estimates based on data from the 1973–1981 May Current Population Survey (CPS) and 1983–2008 CPS Outgoing Rotation Group (ORG) Earnings Files. There were no union questions in the 1982 CPS.

Figure 3
Average Annual Premiums, by Union Status and Type of Coverage, 2008



Source: Kaiser Family Foundation.

Figure 4
Average Percentage of Premium Paid by Worker Through Payroll Deduction, by Union Status and Type of Coverage, 2008



Health Benefits by Union Status

Across all job characteristics, union workers are more likely, in many cases much more likely, than nonunion workers to have health benefits from their own employer.

Union status has the greatest impact on the probability that a worker has employment-based health benefits from his or her own employer in small firms. Seventy percent of union workers in firms with fewer than 25 employees had employment-based health benefits in their own name in 2007, compared with 38 percent among nonunion workers in firms with fewer than 25 employees (Figure 6). Overall, this difference does not have a large impact on the percentage of workers with health benefits because union workers account for only 2 percent of all workers in firms with fewer than 25 workers. Union workers are most prominent in the public sector, accounting for 40 percent of all workers. In the public sector, 84 percent of union workers have health benefits from their own employer, compared with 68 percent among nonunion workers. Hence, unionization appears to increase the probability of having health benefits in the public sector by 24 percent, the lowest relative impact.

With respect to private-sector industries, union status has its greatest impact on the health benefits of workers employed in agriculture, forestry, fishing, mining, and construction (as a group). Just over 80 percent of union workers in these industries had health benefits in the work place, compared with 45 percent of nonunion workers. However, similar to the findings on firm size, union workers account for only 13 percent of all jobs in the combined industries of agriculture, forestry, fishing, mining, and construction. Manufacturing accounts for the most private-sector union jobs, and union workers in manufacturing are more likely than union workers in any other industry to have health benefits from their own job (88 percent of union workers in manufacturing were covered by employment-based health benefits in their own name), but the difference in the likelihood of having employment-based health benefits between union and nonunion workers in the manufacturing industry was lower (24 percent) than in other industries and equivalent to that in the public sector.

While blue-collar jobs had more union workers than other occupations, the differences were not large. As mentioned above, 18–19 percent of blue-collar type jobs are held by union workers, compared with 15 percent of service-collar

Figure 5
Job Characteristics of Wage and Salary Workers, Ages 18–64, by Union Status, September 2007

	Total	Union	Nonunion	Total	Union	Nonunion	Total	Union	Nonunion	
		Workers	Workers		Workers	Workers		Workers	Workers	Workers
	(millions)	(percentage within job characteristic category)			(percentage within worker type category)					
Total	123.6	17.5	106.1	100%	14%	86%	100%	100%	100%	
Firm Size										
Under 25	26.0	0.6	25.4	100	2.5	97.5	21.0	3.7	23.9	
25–99	13.4	1.0	12.4	100	7.3	92.7	10.8	5.6	11.7	
100 or more	62.5	7.2	55.3	100	11.5	88.5	50.6	41.2	52.1	
Public sector	21.7	8.6	13.1	100	39.8	60.2	17.6	49.5	12.3	
Industry										
Agriculture, forestry, fishing, mining and construction	10.0	1.3	8.6	100	13.4	86.6	8.1	7.6	8.1	
Manufacturing	22.7	3.7	19.0	100	16.2	83.8	18.4	21.0	17.9	
Wholesale and retail trade	36.5	1.4	35.2	100	3.7	96.3	29.6	7.8	33.1	
Personal services	32.7	2.4	30.3	100	7.5	92.5	26.5	14.0	28.5	
Public Sector	21.7	8.6	13.1	100	39.8	60.2	17.6	49.5	12.3	
Occupation										
Managerial and professional specialty	43.4	6.6	36.8	100	15.3	84.7	35.1	38.0	34.7	
Service occupations	20.3	3.0	17.3	100	14.8	85.2	16.4	17.2	16.3	
Sales and office occupations	30.5	2.5	27.9	100	8.3	91.7	24.6	14.5	26.3	
Farming, fishing, and forestry	1.1	0.1	1.0	100	7.8	92.2	0.9	0.5	0.9	
Construction, extraction, and maintenance	11.5	2.2	9.3	100	19.1	80.9	9.3	12.6	8.8	
Production, transportation,	16.8	3.0	13.8	100	17.8	82.2	13.6	17.1	13.0	
Hours of Work										
Part-Time	29.0	2.8	26.2	100	9.5	90.5	23.5	15.8	24.7	
Full-Time	94.6	14.7	79.9	100	15.5	84.5	76.5	84.2	75.3	
Annual Earnings										
Under \$10,000	13.2	0.7	12.4	100	5.6	94.4	10.7	4.2	11.7	
\$10,000–\$19,999	20.5	1.3	19.2	100	6.4	93.6	16.6	7.5	18.1	
\$20,000–\$29,999	22.9	2.6	20.3	100	11.2	88.8	18.5	14.6	19.1	
\$30,000–\$39,999	19.9	3.3	16.7	100	16.4	83.6	16.1	18.7	15.7	
\$40,000–\$49,999	12.4	2.8	9.5	100	23.0	77.0	10.0	16.3	9.0	
\$50,000 or more	34.7	6.7	28.0	100	19.4	80.6	28.1	38.7	26.4	

Source: Employee Benefit Research Institute estimates of the Survey of Income and Program Participation, 2004 Panel, Wave 12.

jobs and 8–15 percent of white-collar jobs. However, there are large differences in the impact of unionization on health benefits by occupation. White-collar workers who were union workers were 18–41 percent more likely than nonunion white-collar workers to have health benefits from their job. Service-collar workers who were union members were 109 percent more likely than nonunion service-collar workers to have health benefits from their job. And among blue-collar workers, union workers were 47–65 percent more likely than nonunion workers to have health benefits from their job.

Full-time union workers are much more likely to have health benefits from their own job than part-time union workers. Eighty-six percent of union workers employed full-time had health benefits, compared with 65 percent of part-time union workers. However, unionization appears to have had a greater impact on the likelihood of having health benefits for part-time union workers than for full-time union workers. Among part-time workers, 65 percent of union workers had health benefits from their own job, compared with 32 percent of nonunion workers (a difference of 105 percent), while 86 percent of full-time union workers had health benefits from their own job, compared with 67 percent among nonunion workers (a difference of 29 percent).

Finally, at all levels of annual earnings, union workers were more likely than nonunion workers to have health benefits from their own job. While unionization appears to have helped lower-income workers more than higher-income workers, lower-income workers were much less likely to be union members than higher-income workers.⁷

Conclusion

Union workers are more likely than nonunion workers to have health benefits. Eighty-three percent of unionized workers have health benefits through their own job, compared with 58 percent among nonunion workers. Union workers are more likely to be employed in the public sector, manufacturing industry, blue-collar occupations, and in full-time jobs. Union workers have higher annual earnings than nonunion workers. However, even when examining the difference in the likelihood of having health benefits for various job characteristics, union workers are across the board more likely to have health benefits than nonunion workers. All else equal, if unionization in the private-sector continues to decline, the percentage of workers with employment-based health benefits will continue to decrease, and this trend will be exacerbated by any future declines in public-sector unionization.

Figure 6
Employment-Based Health Benefits from Own Employer for Wage and Salary Workers, Ages 18–64, by Union Status and Selected Job Characteristics, September 2007

	Percentage of Workers With Health Benefits from Own Employer		Percentage Difference Between Union & Nonunion Workers	Percentage of Union Workers in Selected Job Characteristic
	Union workers	Nonunion workers		
Total	83%	58%	42%	N/A
Firm Size				
Under 25	70	38	86	2
25–99	76	57	34	7
100 or more	83	66	27	12
Public sector	84	68	24	40
Industry				
Agriculture, forestry, fishing, mining and construction	82	45	82	13
Manufacturing	88	71	24	16
Wholesale and retail trade	74	58	27	4
Personal services	75	50	52	7
Public Sector	84	68	24	40
Occupation				
Managerial and professional specialty	83	71	18	15
Service occupations	79	38	109	15
Sales and office occupations	79	56	41	8
Farming, fishing, and forestry	57	35	65	8
Construction, extraction, and maintenance	84	53	59	19
Production, transportation, and material moving	88	60	47	18
Hours of Work				
Part-Time	65	32	105	10
Full-Time	86	67	29	16
Annual Earnings				
Under \$10,000	57	24	138	6
\$10,000–\$19,999	55	35	56	6
\$20,000–\$29,999	79	60	32	11
\$30,000–\$39,999	83	69	21	16
\$40,000–\$49,999	90	75	21	23
\$50,000 or more	89	76	17	19

Source: Employee Benefit Research Institute estimates of the Survey of Income and Program Participation, 2004 Panel, Wave 12.

Endnotes

¹ Robert Helms, "Tax Policy and the History of the Health Insurance Industry," in Henry J. Aaron, and Leonard E. Burman, eds., *Using Taxes to Reform Health Insurance: Pitfalls and Promises* (Washington, DC: Brookings Institution Press, 2008).

² Paul Fronstin, "Sources of Coverage and Characteristics of the Uninsured: Analysis of the March 2004 Current Population Survey," *EBRI Issue Brief*, no. 321 (Employee Benefit Research Institute, September 2008).

³ Previous research found that 6 percent of the decline in employment-based health benefits among workers between 1988 and 1993 was due to the decline in unionization. See Paul Fronstin and Sarah C. Snider, "An Examination of the Decline in Employment-Based Health Insurance Between 1988 and 1993," *Inquiry*, Vol. 33, no. 4 (Winter 1996/97): 317–325.

⁴ Paul Fronstin, "Union Status and Employment-Based Health Benefits," *EBRI Notes*, no. 5 (Employee Benefit Research Institute, May 2005): 2–6.

⁵ In 2003, the Kaiser Family Foundation found that the average deductible for employee-only coverage in a preferred provider organization was \$181 for plans with at least some union workers, and \$330 for plans with no union workers.

⁶ Fronstin (op. cit., 2008) has found that workers employed in large firms, public-sector workers, workers employed in the manufacturing sector, full-time workers, and higher-income workers are generally more likely than other workers to have employment-based health benefits.

⁷ The impact of unionization on the probability of having health benefits may be overstated, even when examining the probability for various job characteristics, because simple descriptive statistics were examined. It would be better to use multivariate regression analysis to examine the impact of various job characteristics and unionization on the probability of having employment-based health benefits, but that is beyond the scope of this article.

New Publications and Internet Sites

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Compensation

WorldatWork. *Salary Budget Survey, 2009-2010*. Report and one-year subscription to SBS Online, \$235; Report and two-year subscription to SBS Online, \$265. WorldatWork, P. O. Box 29312, Phoenix, AZ 85038-9312, (877) 951-9191 or (480) 922-2020, fax: (480) 483-8352, www.worldatwork.org/bookstore

Employee Benefits

Society for Human Resource Management. *2009 Employee Benefits: A Survey Report by the Society for Human Resource Management*. SHRM members, \$79.95; nonmembers, \$99.95. Society for Human Resource Management, 1800 Duke St., Alexandria, VA 22314-3499, (800) 444-5006, option #1, <http://shrmstore.shrm.org>

Employee Stock Ownership Plans

Magowan, Stephen P., et al. *The ESOP Company Board Handbook*. NCEO members, \$25; nonmembers, \$35. National Center for Employee Ownership, 1736 Franklin St., 8th Floor, Oakland, CA 94612, (510) 208-1300, fax: (510) 272-9510, e-mail: nceo@nceo.org, www.nceo.org

Health Care

Hewitt Associates. *Survey Findings: Challenges for Health Care in Uncertain Times: Hewitt's 10th Annual Health Care Report*. Free [registration is required]. To access a PDF of the survey report, go to www.hewittassociates.com/Intl/NA/en-US/KnowledgeCenter/ArticlesReports/ArticleDetail.aspx?cid=6388&tid=45

Richard K. Miller & Associates. *The 2009 Healthcare Business Market Research Handbook*. Thirteenth Edition. PDF, \$285; Hardcopy + PDF, \$385. Richard K. Miller & Associates, 4132 Atlanta Highway, Ste. 110-366, Loganville, GA 30052, (770) 416-0006, fax: (770) 416-0052, www.rkma.com

U.S. Government Accountability Office. *Medicare Physician Payments: Fees Could Better Reflect Efficiencies Achieved When Services Are Provided Together*. Order from GAO.

Pension Plans/Retirement

International Foundation of Employee Benefit Plans. *Multiemployer Pension Funding Status and the Freeze Decision*. IFEBP members, free; nonmembers, \$50. International Foundation of Employee Benefit Plans, Publications Department, P.O. Box 68-9953, Milwaukee, WI 53268-9953, (888) 334-3327, option 4; fax: (262) 786-8780, e-mail: bookstore@ifebp.org, www.ifebp.org

U.S. Government Accountability Office. *Private Pensions: Alternative Approaches Could Address Retirement Risks Faced by Workers but Pose Trade-offs*. Order from GAO.

Web Documents

America's Health Insurance Plans: The Value of Provider Networks and the Role of Out-of-Network Charges in Rising Health Care Costs: A Survey of Charges Billed by Out-of-Network Physicians
www.ahipresearch.org/PDFs/ValueSurvey/AllStatesReport.pdf

American Enterprise Institute for Public Policy Research: The State of the American Worker 2009: Attitudes about Work in America, www.aei.org/docLib/20090821-AmericanWorker.pdf

Center for Retirement Research at Boston College: Should Social Security Rely Solely on the Payroll Tax?
http://crr.bc.edu/images/stories/Briefs/ib_9-16.pdf

Center for State and Local Government Excellence *Issue Brief: "Prefunding Other Post Employment Benefits (OPEB) in State and Local Governments: Options and Early Evidence,"* www.slge.org/vertical/Sites/%7BA260E1DF-5AEE-459D-84C4-876EFE1E4032%7D/uploads/%7BF7CBC101-1E69-4DE7-AEEC-ECFE6F41CAF5%7D.PDF

Congressional Budget Office: CBO's Long-Term Projections for Social Security: 2009 Update
www.cbo.gov/ftpdocs/104xx/doc10457/08-07-SocialSecurity_Update.pdf

Deloitte Consulting, International Foundation of Employee Benefit Plans, and International Society of Certified Employee Benefit Specialists: 401(k) Benchmarking Survey, 2009 Edition, [www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_consulting_401\(k\)AnnualBenchmarkingSurvey2009Edition_080609.pdf](http://www.deloitte.com/assets/Dcom-UnitedStates/Local%20Assets/Documents/us_consulting_401(k)AnnualBenchmarkingSurvey2009Edition_080609.pdf)

Internal Revenue Service: Retirement News for Employers [Special Edition, September 2009], www.irs.gov/pub/irs-tege/rne_se0909.pdf

Investment Company Institute *Research Fundamentals: "The Economics of Providing 401(k) Plans: Services, Fees, and Expenses, 2008,"* www.ici.org/pdf/fm-v18n6.pdf

Pension Benefit Guaranty Corporation: Pension Insurance Data Book 2008, www.pbgc.gov/docs/2008databook.pdf

Principal Financial Group:

Business Owner Market Study: Understanding Benefit Practices
www.principal.com/about/news/documents/businesspriorities_whitepaper.pdf

The Total View 2009: Retirement Plan Trends Report

<https://secure02.principal.com/publicvsupply/GetFile?fm=PO5265C&ty=VOP&EXT=.VOP>

Segal Advisors *Research Note*: "Reviewing Stable Value Funds in Light of Media Scrutiny"

www.segaladvisors.com/dev/uploads/6c066fa81f83c4bedffb691a59e47634.pdf

The Segal Company: Segal Study of Multiemployer Defined Contribution Plans [Summer 2009]

www.segalco.com/uploads/196b2aa06717c780ec1e66e8dc7d5bb8.pdf

Sherlock Company: Administrative Expenses of Health Plans [prepared for the Blue Cross and Blue Shield Association]

www.bcbs.com/issues/uninsured/Sherlock-Report-FINAL.pdf

Social Security Administration *Policy Brief*: "Distributional Effects of Raising the Social Security Taxable Maximum"

www.socialsecurity.gov/policy/docs/policybriefs/pb2009-01.pdf

The SPARK Institute: Valuing Retirement Plan Investments Under FAS 157: The Roles of Plan Sponsors, Record Keepers, Investment Providers & Auditors, [www.sparkinstitute.org/content-files/File/FAS%20White%20Paper%208-11-](http://www.sparkinstitute.org/content-files/File/FAS%20White%20Paper%208-11-09.pdf)

[09.pdf](http://www.sparkinstitute.org/content-files/File/FAS%20White%20Paper%208-11-09.pdf)

Vanguard Group: How America Saves 2009: A Report on Vanguard 2008 Defined Contribution Plan Data

<https://institutional.vanguard.com/iam/pdf/HAS09.pdf>

Watson Wyatt Worldwide: Effect of the Economic Crisis on HR Programs [Update: August 2009]

www.watsonwyatt.com/news/pdfs/WT-2009-13301.pdf



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