



# Briefing Paper

## BRIEFING PAPER: THE IMPORTANCE OF HEALTH BENEFITS IN THE TELECOMMUNICATIONS INDUSTRY

This Briefing Paper is one of a series of occasional papers by the Institute for Women's Policy Research (IWPR) on the status of women workers in the communications and other service industries.

### Health Insurance, the Crucial Worker Benefit

Employer-provided health insurance is the benefit that workers think is the most crucial for their and their families' well-being, according to public opinion polls.<sup>1</sup> Between 1980 and 1986, however, the percentage of workers with employer-provided health benefits declined slightly and the percentage of workers covered by wholly employer-financed benefits declined dramatically from 72 percent in 1980 to 54 percent in 1986.<sup>2</sup>

Workers covered by union contracts face less risk of being without health coverage because unions have historically bargained for this crucial fringe benefit along with higher wages. In a previous report, IWPR found that the telecommunications industry is the most highly unionized and the best paid private service producing industry. As a result women workers in the telecommunications industry are the exception to the rule that women workers earn low-pay for the work they do in the service industries.<sup>3</sup>

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<sup>1</sup> See Mathew H. Greenwald, "Health Insurance: The Crucial Employee Benefit" in America in Transition: Benefits for the Future. Washington, DC: Employee Benefit Research Institute, 1987.

<sup>2</sup> U.S. Department of Labor, Bureau of Labor Statistics, Employee Benefits in Medium and Large Firms, 1980-1986.

<sup>3</sup> See Heidi Hartmann and Roberta Spalter-Roth, Women in Telecommunications: An Exception to the Rule. Washington, DC: Institute for Women's Policy Research, July 1989.

Prepared by Roberta Spalter-Roth and Linda Andrews, Institute for Women's Policy Research, August 1989.

### Telecommunications Workers Most Likely to Have Health Coverage

Table 1, based on the Survey of Income and Program Participation (SIPP), a longitudinal data set from the U.S. Bureau of the Census, shows that non-supervisory workers in the telecommunications industry also benefit from employer-provided health insurance.<sup>4</sup> Men and women in telecommunications are the most likely of all workers in the service producing industries to have coverage. Women workers in telecommunications are twice as likely as women in the business and repair industry, 2.5 times as likely as women in retail and social services and 3.5 times as likely as women in personal services to be covered by this crucial benefit.

### Telecommunications Workers Least Likely to Receive Welfare

As a result of higher wages and employer-provided health insurance, as Table 2 shows, non-supervisory workers in the telecommunications industry are the least likely to require "welfare" (including AFDC, Medicaid, Foodstamps, WIC, and General Assistance with less than one percent of the non-supervisory workers in this industry receiving welfare payments). In contrast 10 percent of women workers in retail, 12 percent of women in business and repair services and 20 percent of women workers in social and personal services require these taxpayer-provided supplements to their earnings and benefits. There is a .91 correlation (on a scale of .00 to 1.00, with 1.00 a perfect association) between the lack of employer-provided health benefits to women workers in service-producing industries and the receipt of welfare payments by women workers in these industries. This means that lack of employer-provided health coverage is very strongly associated with receipt of taxpayer-provided benefits.

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<sup>4</sup> Unfortunately the SIPP full panel research file, which includes already-merged data from all eight waves of the SIPP for each respondent, does not indicate what portion of the cost of health insurance is paid by the employer, nor does it indicate whether the insurance coverage is individual or family.

### Taxpayers Subsidize Lack of Health Benefits

Wages and health benefits are two of the most important employer policies for maintaining the well-being of workers and their families. Employers who fail to provide adequate wages and health benefits create substantial external costs to society at large in the form of taxpayer subsidies to employers through government-provided health and welfare programs. Therefore taxpayers as well as workers benefit from the higher wages and the employer-provided health benefits in the telecommunications industry. If employers attempt to cut back on the wages and health benefits that workers in the telecommunications industry have gained, the result will be a not only a decline in the middle class standard of living for these workers but an increase in taxpayer costs, with taxpayer-funded programs such as AFDC and Medicaid provide a partial substitute for previously-won wages and benefits.

TABLE 1.

PERCENT OF NON-SUPERVISORY WORKERS  
IN THE SERVICE-PRODUCING INDUSTRIES COVERED THROUGH  
EMPLOYER-PROVIDED HEALTH BENEFITS

Industry	Number (000's)	Women	Men	Total
Telecommunications	651	87.4	98.2	93.7
Transportation	3,001	62.7	82.6	78.4
Public Utilities and other Communications	1,171	80.6	97.2	93.3
Wholesale Trade	2,458	61.6	78.6	73.6
Retail Trade	8,629	36.3	53.2	43.7
F.I.R.E.	3,483	65.1	78.3	69.6
Business and Repairs Services	2,496	42.0	49.6	46.7
Personal and Private Households Services	1,922	24.5	54.1	29.9
Medical Services	4,082	59.9	82.4	63.7
Social Services	624	36.3	55.2	40.9
Miscellaneous	4,269	55.9	68.9	60.1
Total for Service- Producing Industries	32,787	50.0	69.6	58.6

Source: The Institute of Women's Policy Research based on Survey of Income and Program Participation, 1984 full panel research file.

Note: Supervisory workers have been excluded. All included workers worked over 500 hours and during at least seven months of the calendar year.

TABLE 2.

PERCENT OF NON-SUPERVISORY WORKERS RECEIVING IN THE  
SERVICE-PRODUCING INDUSTRIES PUBLIC ASSISTANCE

Industry	Number (000's)	Women	Men	Total
Telecommunications	651	*	1.3	0.7
Transportation	3,001	5.2	1.3	2.1
Public Utilities and other Communications	1,171	2.6	3.0	2.9
Wholesale Trade	2,458	2.8	4.5	4.0
Retail Trade	8,629	10.3	5.6	8.3
F.I.R.E.	3,483	2.7	4.7	3.3
Business and Repairs Services	2,496	11.7	8.8	9.9
Personal and Private Households Services	1,922	20.3	4.7	17.5
Medical Services	4,082	5.3	5.0	5.3
Social Services	624	20.0	17.9	19.5
Miscellaneous	4,269	8.1	7.7	8.0
Total for Service- Producing Industries	32,787	8.5	5.0	7.0

Source: The Institute of Women's Policy Research based on Survey of Income and Program Participation, 1984 full panel research file.

Note: Supervisory workers have been excluded. All included workers worked over 500 hours and during at least seven months of the calendar year.

\* Too small to be reported.

