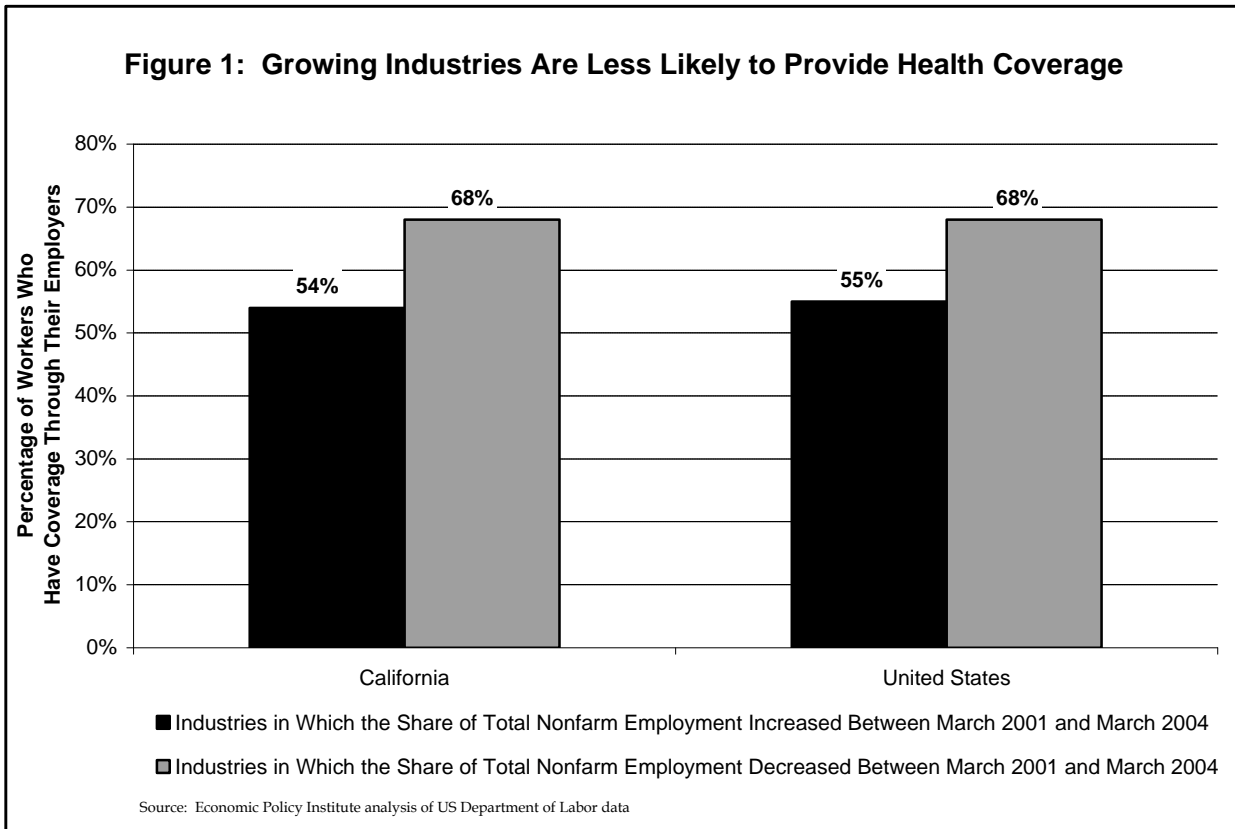


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CALIFORNIA ECONOMY SHIFTS TOWARD INDUSTRIES LESS LIKELY TO PROVIDE HEALTH COVERAGE

Recent state job growth has been concentrated in industries that are less likely to provide job-based health coverage. A recent analysis reveals that, among California industries that declined as a share of total state nonfarm employment between March 2001 and March 2004, 68 percent of workers received health coverage through their employers. In contrast, 54 percent of workers received health coverage through their employers among industries that that increased as share of total state nonfarm employment during the same period.¹



The trend in California mirrors a nationwide trend, with 45 of the 50 states showing a similar shift toward industries less likely to provide health coverage to their workers. Nationally, among industries that declined as a share of total US nonfarm employment, 68 percent of workers received health coverage through their employers. In contrast, 55 percent of workers received health coverage through their employers in industries that increased a share of total US nonfarm employment.

California industries that declined as a share of total state nonfarm employment and that had high rates of health coverage included durable goods manufacturing (75 percent of workers covered) and information (68 percent of workers covered). In contrast, California industries that increased as a share of total state nonfarm employment and that had lower rates of health coverage included construction (49.6 percent of workers covered), retail trade (48.4 percent of workers), and leisure and hospitality (28.9 percent of workers covered).

The shift toward industries less likely to provide health coverage suggests that many California workers and their families will remain uninsured. In 2001, nearly three million California workers were uninsured during all or part of the year.² Latinos accounted for six out of ten workers who were uninsured during all of 2001. On an industry basis, workers in retail trade, agriculture, and construction accounted for disproportionately high shares of uninsured workers. California workers who were single with no children, and workers with lower household incomes were also disproportionately represented among the uninsured. Seven out of ten employees who were uninsured at some time during the year worked 40 hours or more per week.

ENDNOTES

¹ Jeff Chapman and Elise Gould, *Jobs Shift Away from Industries that Provide Health Insurance to Their Workers* (Economic Policy Institute: May 12, 2004).

² E. Richard Brown, PhD et al., *The State of Health Insurance in California: Long-Term and Intermittent Lack of Health Insurance Coverage* (UCLA Center for Health Policy Research: November 2003), pp. 3-4.