

## Construction Workers Least Likely to Have Insurance

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**By Tom Kisken**

Fortunate to have a job in a construction industry nailed by the recession, Ron Gerz isn't so lucky when it comes to health insurance.

More construction workers in California were uninsured for an entire year than any other major industry in the state, according to a new study by the Center on Policy Initiatives. Gerz, 55, of Camarillo has insurance because he bought a private policy - \$1,480 a month to cover himself and his wife who has severe back problems. "People are fighting over jobs. The contractors are cutting each other's throat, just cutting down prices," he said, linking the lack of jobs to the lack of health insurance. "Nowadays, nobody can even think to pay for it."

The Center on Policy Initiatives, a San Diego nonprofit group that researches labor issues and advocates for the working class, studied the construction industry during 2005, at the peak of the housing boom. Using statewide data provided by the UCLA Center for Health Policy Research, analysts concluded that about one third of California's construction workers were covered by their employers.

Some people insured themselves or were covered through a spouse. But about 27 percent of the construction workers didn't have insurance for the entire year. The only other industry close to that rate was leisure and hospitality, with 24 percent of its workers chronically uninsured.

The study focuses on 2005 because author Murtaza Baxamusa wanted to study insurance patterns when construction was considered a golden job. That status has been tarnished as money in California from construction dropped 23 percent in 2008 and could fall similarly this year, according to the Construction Industry Research Board.

Baxamusa said the federal stimulus money will bring more construction jobs - about 670,000 nationally over the next two years, according to one prediction - but most will come without insurance.

"This is a systematic problem," he said. "Even if they do get health insurance for some amount of work they do, they can't maintain it because once they complete one job with one employer, they go on to the next."

### **Changing employers often**

Gerz is a specialist who installs structural reinforcements so new buildings can sustain an earthquake. He moves from one job to another, working for dozens of contractors.

That's the nature of the industry, said Baxamusa. The workers are transient and many call themselves self-employed. Even the people who work for a company move often.

Unions offer insurance. So do many bigger companies, and there are small employers who take pride in providing health insurance.

“I think my people are better off because I give them better coverage,” said Bill Huff, owner of a Santa Paula construction company that pays all of its employees’ health benefits. But many other small contractors say the cost of insurance would drive them out of business.

“No one really has health insurance for their employees,” said Denis Hughes, who runs a Ventura construction firm. “It’s sad that guys can come in, like a carpenter, and earn \$25 an hour and he doesn’t have insurance.”

Introduce the topic of health coverage in construction to Ventura contractor Woody Bentley and he belts out a laugh.

“That’s a joke,” he said.

Bentley doesn’t pay for workers’ health insurance but, because he bids on government projects, pays a higher wage with an allotment workers can spend on insurance. How many of the employees do that?

“I’d say none of them,” said Bentley.

He added that he sees residential contractors who would do anything during the recession. “It’s all about being low bid even if that means sacrificing employees to have a job.”

### **The unlucky ones**

Some workers go without insurance and bank on their luck. Some get caught.

“I’ve got a whole bunch of unpaid medical bills right now... probably about \$400,000,” said Scott Roland, a 50-year-old Simi Valley remodeler, referring to the costs of two brain surgeries in 2006 following symptoms that included passing out every day.

Roland and a partner have run a small construction business for about six years. He hasn’t been insured during that time.

“I just can’t afford it, especially the way construction is right now,” he said.

### **Looking for solutions**

The AFL-CIO’s state Building and Construction Trades Council believes contractors can be motivated to provide insurance. They advocate a state Assembly bill that gives a bid discount to contractors who provide certain health benefits.

Baxamusa thinks the state government needs to create insurance pools where employers of all sizes would contribute money. The funds would cover workers even as they bounce from one company to the next.

Without a solution, construction workers will continue to end up in emergency rooms along with other uninsured people, Baxamusa said.

“If the employer does not the pay, the taxpayers have to,” he said.