

# Studies find warehouse jobs pay poorly, lack health insurance

July 22 2015, by Bettye Miller

---



Inland Empire warehouses employ thousands of residents in the region.

Warehouses provide jobs for thousands of workers in the Inland Empire. But a majority of blue-collar warehouse jobs typically pay less than a living wage, are often temporary, and do not provide health-care benefits, according to researchers at the University of California, Riverside.

Two policy research briefs released this month found that a significant share of blue-collar warehouse jobs are filled through temporary staffing agencies, enabling warehouse companies to pay these workers less than those employed directly by the companies and avoid providing [health insurance](#). These jobs typically pay less than the living wage, contributing to poverty rates in Riverside and San Bernardino counties and the city of Ontario that exceed poverty rates for California and the U.S. The studies were funded by the UC Institute for Research on Labor and Employment.

Researchers from UCR's Labor Studies program and School of Public Policy's Center for Sustainable Suburban Development (CSSD) interviewed more than 350 Inland Southern California warehouse workers in 2012 and 2013. The team made three key recommendations:

- Raise the [minimum wage](#) to a living wage, particularly in the city of Ontario, where a total of 338 warehouses were located in 2013, the year the surveys were completed.
- Incentivize the conversion of temporary positions to permanent jobs through community benefit agreements and union contracts with warehouse companies.
- Reduce the cost of deductibles for Affordable Care Act (ACA) health insurance plans.

The research team includes: Ellen Reese, professor of sociology and chair of the Labor Studies program; Juliann Allison, associate professor of gender and sexuality studies and public policy, and associate director of CSSD; Joel Herrera, a UCR sociology major who will enroll in UCLA's sociology graduate program in the fall; and Mila Huston, an independent researcher who earned her master's degree in sociology at UCR.



Most blue-collar warehouse jobs typically pay less than a living wage, are often temporary, and do not provide health-care benefits.

"Warehouse workers in Ontario, like those in other Inland Southern California cities, would greatly benefit from the adoption and enforcement of living or minimum-wage policies to improve their wages, such as the local minimum-wage ordinance adopted by the city of Los Angeles in 2015," the researchers wrote in "Why the City of Ontario Needs to Raise the Minimum Wage: Earnings Among Warehouse Workers in Inland Southern California." The authors further suggest that increasing local funds in the Inland Empire to enforce wage policies, as Los Angeles city officials did this year, would help to better protect warehouse workers in Southern California from wage theft.

In "Health Care Needs and Access among Warehouse Workers in Southern California," the team said that interviews with warehouse workers suggested that "further reducing the cost of deductibles for ACA health insurance plans is critical for improving health care access among eligible warehouse workers and other low-wage workers. Moreover, the ACA's perverse incentive structure has already prompted employers to use more part-time and temporary labor in order to avoid health insurance costs."

Among the reports' findings about Inland Southern California warehouse workers:

Most workers are Latino, male, young, and have a high school education or less. Many are immigrants.

Those who worked at least 20 hours per week earned a median annual income of \$14,000, with incomes highest among those hired directly by the company rather than a temporary staffing agency.

Between one-third and one-half had health insurance (compared to 85 percent of U.S. workers), and even fewer had coverage through their employer. Two-thirds said they had waited until an injury or illness was severe to seek treatment because of the cost or lack of health insurance.

Raising the wages for warehouse and other low-wage workers in high-poverty cities in the Inland Empire would benefit those workers and their families, and have positive ripple effects on the local economy, the researchers said.

"The overall higher wages could, in turn, help to stimulate consumer spending and increase the tax base in the region," they said. "While businesses commonly oppose wage hikes, raising wages has been shown to help businesses to stabilize their employment and reduce employee

turnover costs."

The researchers also called for national labor law reforms to facilitate unionization among warehouse and other low-wage workers, which ultimately would help to improve warehouse workers' access to health insurance and improve workplace safety. Increased state and federal funding to enforce occupational, health, and safety regulations could also help to prevent workplace accidents and injuries. The Bureau of Labor Statistics reports that the warehouse industry is one of the most dangerous in the U.S. with a workplace injury fatality rate that is more than three times the average of all workers, the team noted.

**More information:** "Why the City of Ontario Needs to Raise the Minimum Wage: Earnings Among Warehouse Workers in Inland Southern California." [www.irle.ucla.edu/publications ... archBrief\\_36\\_000.pdf](http://www.irle.ucla.edu/publications/archBrief_36_000.pdf)

"Health Care Needs and Access Among Warehouse Workers in Southern California." [www.irle.ucla.edu/publications ... rchBrief\\_Reese35.pdf](http://www.irle.ucla.edu/publications/rchBrief_Reese35.pdf)

Provided by University of California - Riverside

Citation: Studies find warehouse jobs pay poorly, lack health insurance (2015, July 22) retrieved 16 July 2024 from <https://phys.org/news/2015-07-warehouse-jobs-poorly-lack-health.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.