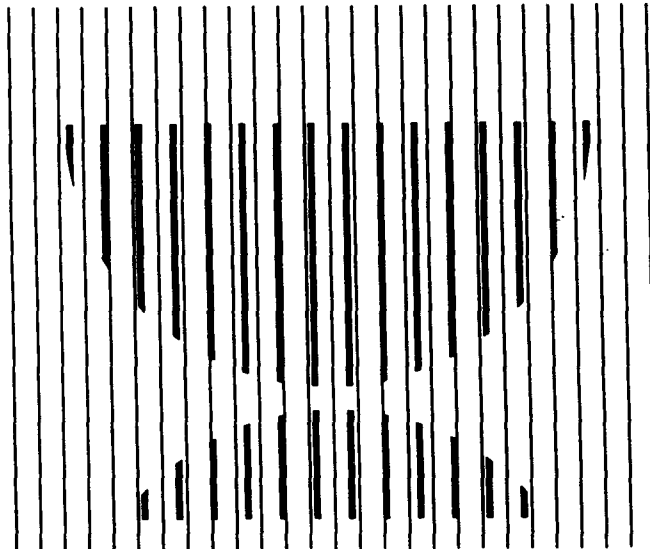


CBO STAFF MEMORANDUM

**IN PURSUIT OF HIGHER WAGES AND
EMPLOYMENT-BASED HEALTH INSURANCE**

February 1993



**CONGRESSIONAL BUDGET OFFICE
SECOND AND D STREETS, S.W.
WASHINGTON, D.C. 20515**



This Congressional Budget Office Staff Memorandum analyzes the labor market experiences of workers who were hired at low wage rates in the mid- to late-1980s. In particular, it examines the extent of their wage gains over the next year, as well as their initial and subsequent health insurance status. In accordance with CBO's mandate to provide objective and impartial analysis, this memorandum contains no recommendations.

Ralph E. Smith and Bruce Vavrichek of CBO's Human Resources and Community Development Division prepared the memorandum under the direction of Nancy M. Gordon. Karen E. Smith provided the computer analysis. Paul Cullinan, Jay Noell, Kevin Quinn, Jack Rodgers, Paul Ryscavage, and Katherine Swartz provided valuable comments on an earlier version. The manuscript was edited by Sherwood D. Kohn and prepared by Sharon Corbin-Jallow.



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"Low-wage jobs generally come with low--or no--medical benefits. So whereas middle-class workers receive health insurance through their employers, and families on welfare qualify for Medicaid from the government, the working poor get neither. This abandonment of a group that is arguably the most worthy of the poor is one of the most painful ironies of the current health-care system and provides strong incentives to choose welfare over work."¹

A recurring theme of many commentaries on the state of the low-wage labor market in recent years is that many of the jobs available do not provide health insurance and are hardly worth taking, especially if doing so would mean the loss of cash assistance and Medicaid. One response to this line of reasoning points to the noneconomic benefits of paid employment, such as dignity and self-worth. Another response argues that low-wage jobs can be used as stepping stones; that is, that today's low-wage job will lead to a higher-paying job tomorrow, one that will also provide health insurance. This paper examines the validity of the latter argument.

Current welfare and employment policies rely heavily on job-search assistance, training, and short-term subsidies to help people with low incomes get a foot in the door. The Job Opportunities and Basic Skills (JOBS) program, for example, helps fund a wide range of work-related activities and requires certain recipients of Aid to Families with Dependent Children (AFDC) to participate in them. Since April 1990, states have been required to extend Medicaid coverage for one year to families who stop receiving AFDC because of increased earnings. The Earned Income Tax Credit supplements the wages of workers in low-income families with children as a further inducement for them

1. Mary Jo Bane and David T. Ellwood, "Is American Business Working for the Poor?" *Harvard Business Review* (September-October 1991), p. 60.



to work. Until recently, the Targeted Jobs Tax Credit provided a short-term subsidy to employers to induce them to hire members of specific groups of disadvantaged individuals, including youths from low-income families and AFDC recipients.

But what happens to workers once they find low-wage jobs? In particular, how many workers hired at relatively low wages move up substantially within a year? How many start out with employment-based health insurance?² Of those who do not, how many subsequently obtain it? Finally, what characteristics distinguish workers who advance in these ways from ones who do not?

This analysis is based on data from the 1986, 1987, and 1988 panels of the Survey of Income and Program Participation (SIPP). Respondents were interviewed every four months for a period of 28 months, and were asked detailed questions about their monthly earnings, other sources of income, health insurance coverage, and participation in various programs. The records used were those of respondents who began new jobs during the first year of the survey (1986, 1987, or 1988), had not been employed in the preceding month, and were not full-time students at any time during the one-year period after they obtained their new jobs.³ Their employment, hours,

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2. Throughout this paper, the term "employment-based health insurance" refers to health insurance coverage offered by a worker's own employer.
 3. Our approach for identifying newly hired workers follows that of Paul Ryscavage in "Job Creation During the Late 1980's: Dynamic Aspects of Employment Growth," *Current Population Reports, Series P-70, No. 27* (Bureau of the Census, 1992). He identified a job accession as having occurred when a person held a job in one month and not in the preceding one. Both approaches exclude newly hired workers who changed jobs without an intervening spell of nonemployment that lasted through at least one calendar month. In addition, we excluded people who had returned to an employer for whom they had previously worked (while in the SIPP sample); their exclusion is intended to reduce the extent to which the "newly hired" workers are actually workers returning after a layoff or other absence.



wages, and health insurance status were tracked for at least 12 months after they were hired.

Key findings of the analysis are as follows:

- o More than 40 percent of newly hired workers (excluding students) started out in jobs that paid \$5 per hour or less. Most of these low-wage workers began without health insurance coverage through their employer; almost half lacked any coverage at all.

- o A year later, 70 percent of the low-wage workers were still employed, and many of them had moved up considerably. For example, almost 45 percent of these workers received wage increases of 20 percent or more. One-third of the workers who started without any health insurance coverage and were still employed acquired health insurance through their employers.

- o Other workers appear to have made little or no progress during the year. For example, over one-quarter of the workers who still had a job a year later received no wage gain. Nearly one-third of the workers still employed lacked any health insurance.



THE WAGES AND HEALTH INSURANCE STATUS OF NEWLY HIRED WORKERS

This analysis focuses on the subsequent experiences of newly hired workers who started jobs in the mid- to late-1980s. Many were paid relatively low wages and few were offered (or accepted) health insurance coverage through their employers. More than 40 percent of the new workers were employed on an hourly basis and paid \$5 an hour or less during their first month, whereas only 20 percent of all workers were paid that amount (see Figure 1). (For ease of exposition, workers paid \$5 per hour or less are referred to as "low-wage workers.") Similarly, newly hired workers were much less likely than all others to be paid on a salaried or other non-hourly basis.

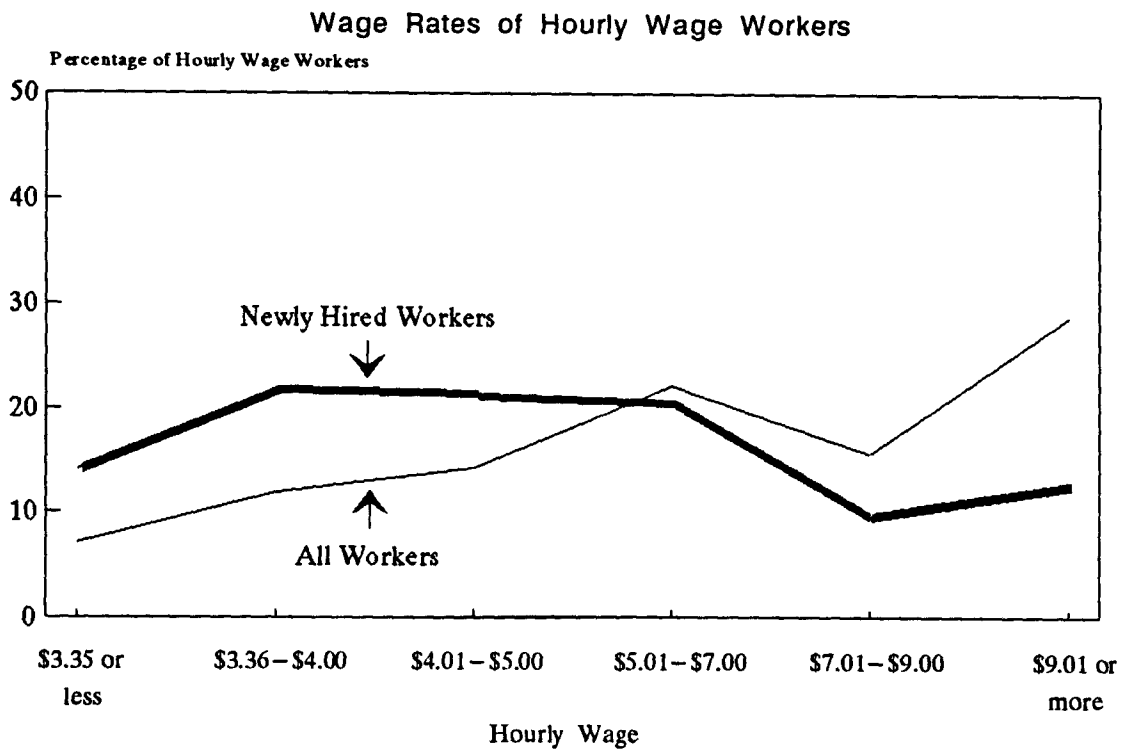
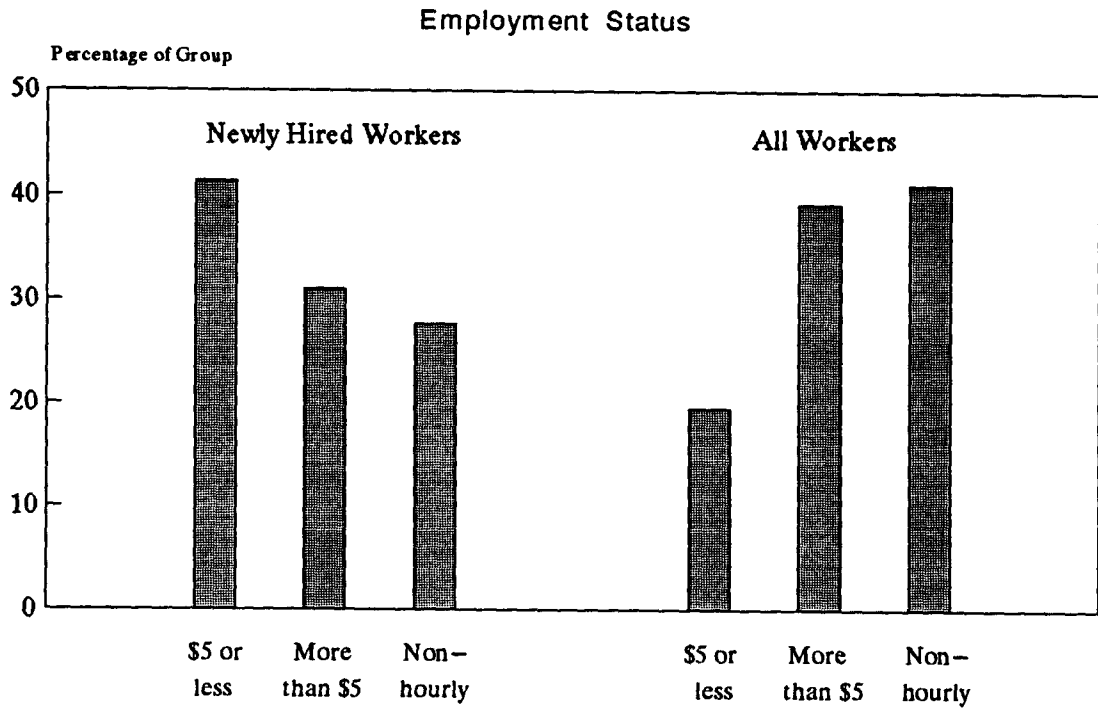
Moreover, new workers were much less likely than all others to be covered by health insurance plans through their own employers. Only about 22 percent of new workers reported having coverage through their employers or unions during their first month on the job, whereas more than 60 percent of all workers were similarly covered (see Figure 2).⁴ The percentage of new workers with coverage through their own employers was positively linked to wage rates (with non-hourly workers having coverage rates similar to those of hourly workers earning more than about \$7 per hour). New

4. This tabulation was based on a positive response to the question, "Was ...'s plan provided through an employer or union (or through a former employer or a pension plan)?"

Other studies that have used the Survey of Income and Program Participation (SIPP) to examine changes in health insurance coverage have emphasized the degree to which being without insurance is temporary. Katherine Swartz and Timothy McBride, using the 1984 SIPP panel, estimated that half of all uninsured spells ended within four months. See Swartz and McBride, "Spells Without Health Insurance: Distributions of Durations and Their Link to Point-in-Time Estimates of the Uninsured," *Inquiry* (Fall 1990), p. 281. See also Charles Nelson and Kathleen Short, "Health Insurance Coverage, 1986-1988," *Current Population Reports*, Series P-70, No. 17 (Bureau of the Census, 1990), and Kathleen Short, "Health Insurance Coverage: 1987-1990," *Current Population Reports*, Series P-70, No. 29 (Bureau of the Census, 1992).



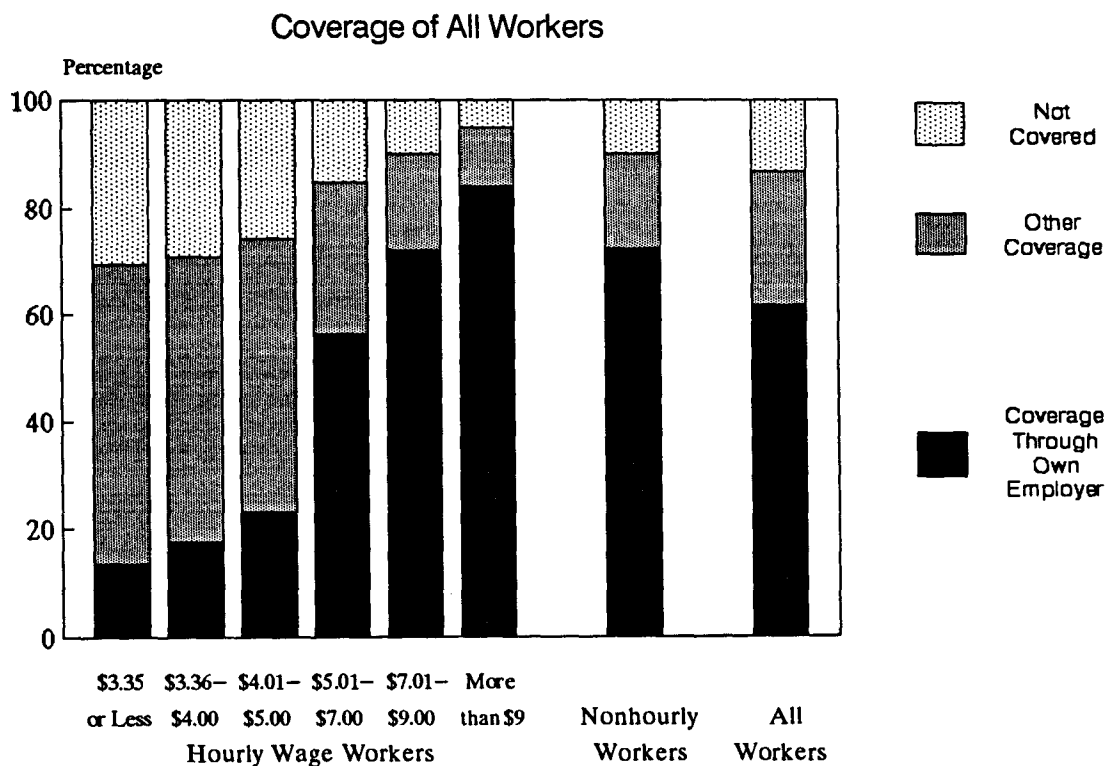
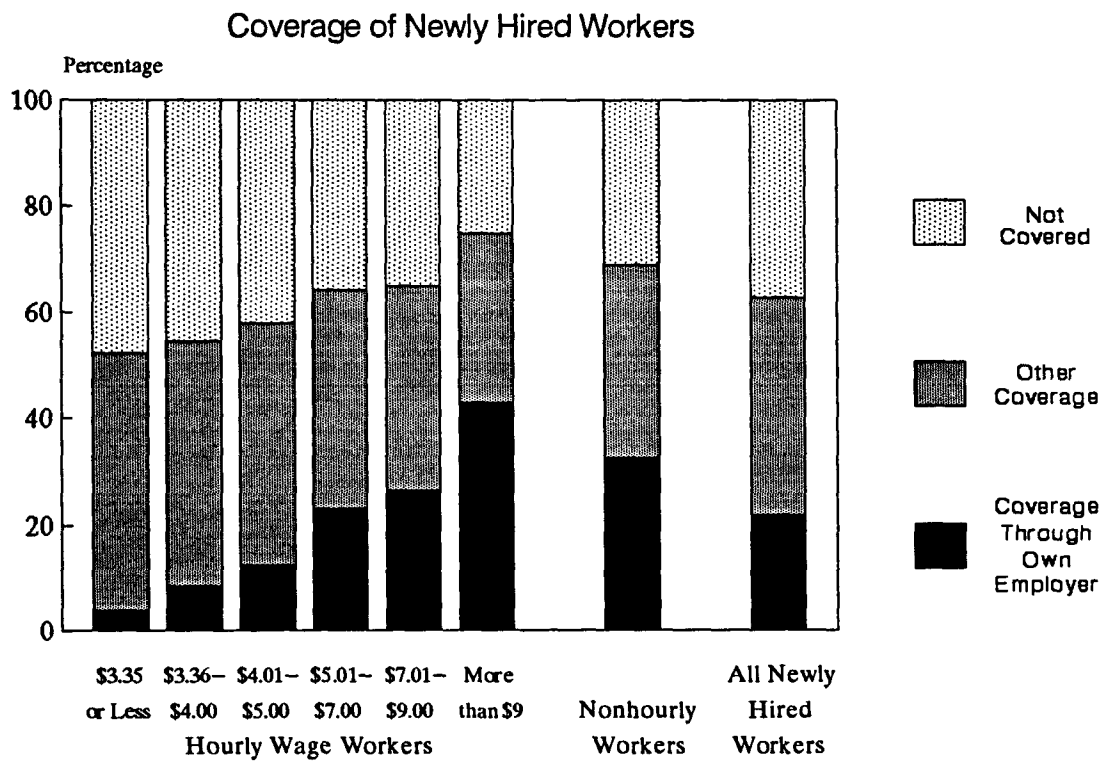
Figure 1.
 Employment Status and Wage Rates of Newly Hired Workers
 and All Workers, 1986–1988



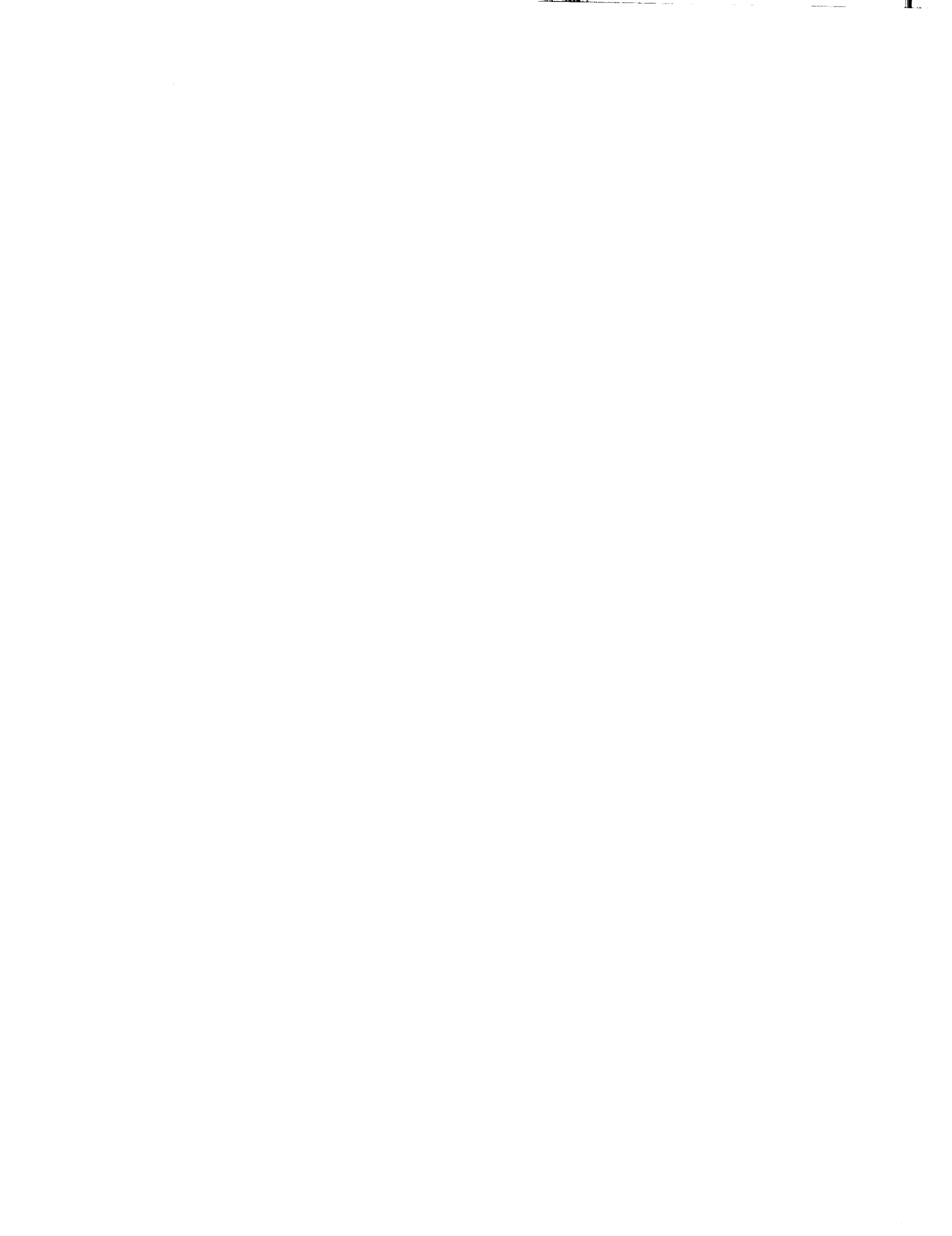
SOURCE: Congressional Budget Office tabulations of the 1986–1988 panels of the Survey of Income and Program Participation.



Figure 2.
Health Insurance Coverage of Newly Hired Workers and All Workers,
1986–1988



SOURCE: Congressional Budget Office tabulations of the 1986–1988 panels of the Survey of Income and Program Participation.



workers also had lower employment-based coverage rates than did all workers in each wage category.

Workers hired at low wage rates were also more likely than those hired at higher wage rates to have no insurance at all, although coverage from other sources offset some of the difference in employment-based coverage between these two groups. New higher-wage workers were more than three times as likely as new low-wage workers to have employment-based coverage in their first month (30 percent versus 9 percent). The difference in the likelihood of having any coverage was less between these two groups, however (67 percent versus 55 percent).

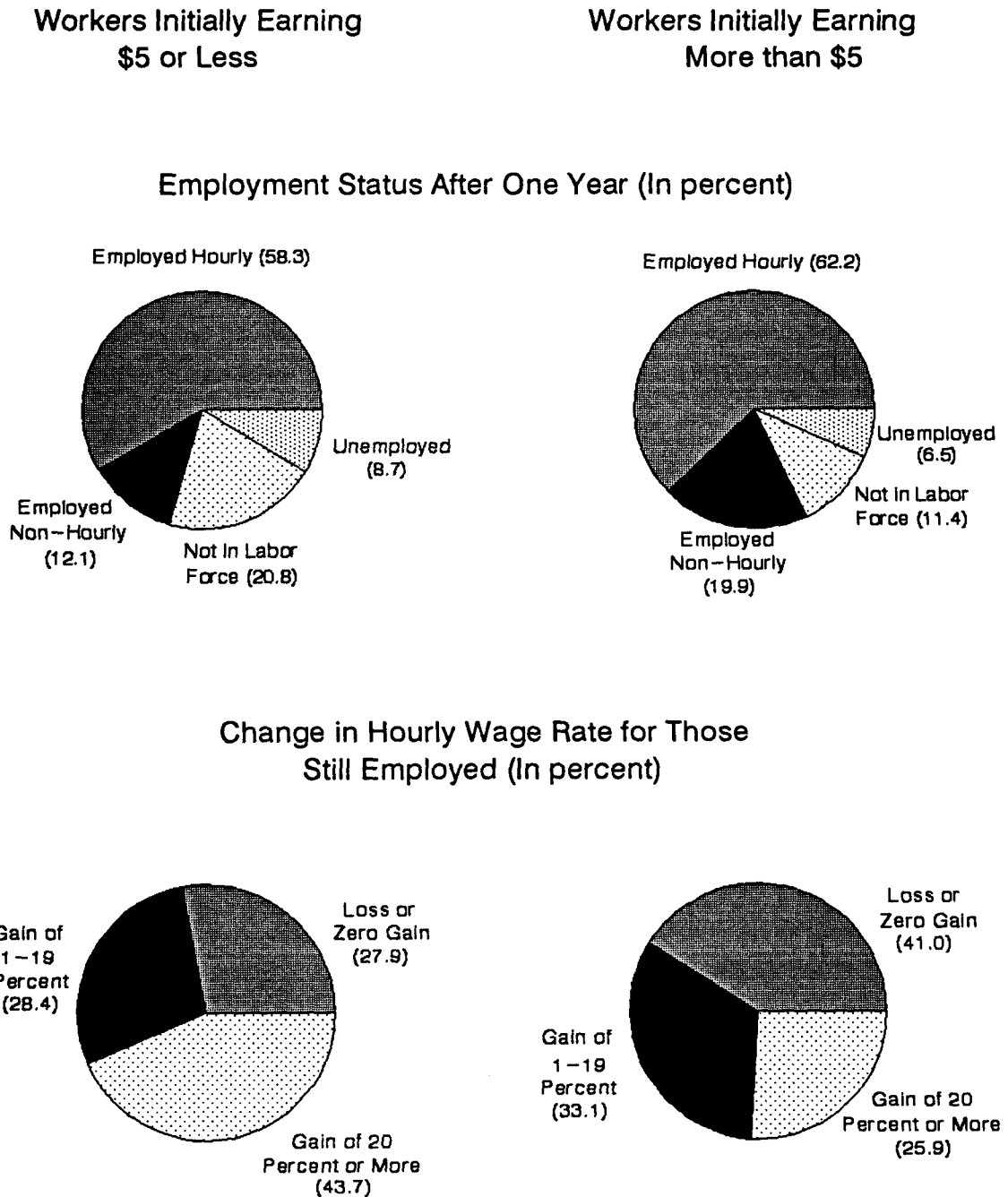
THE WAGE MOBILITY OF NEW WORKERS

Most people who started low-wage jobs were also working a year later. How much had they advanced?

New low-wage workers were less likely than new higher-paid workers to have jobs a year after being hired. More than two-thirds of the workers who started low-wage jobs and more than four-fifths of those who started higher-wage jobs were working 12 months later (see top panel, Figure 3). And most were still paid on an hourly basis (more than 80 percent of those still employed who initially earned low wages, and more than 75 percent of those who initially earned higher wages).

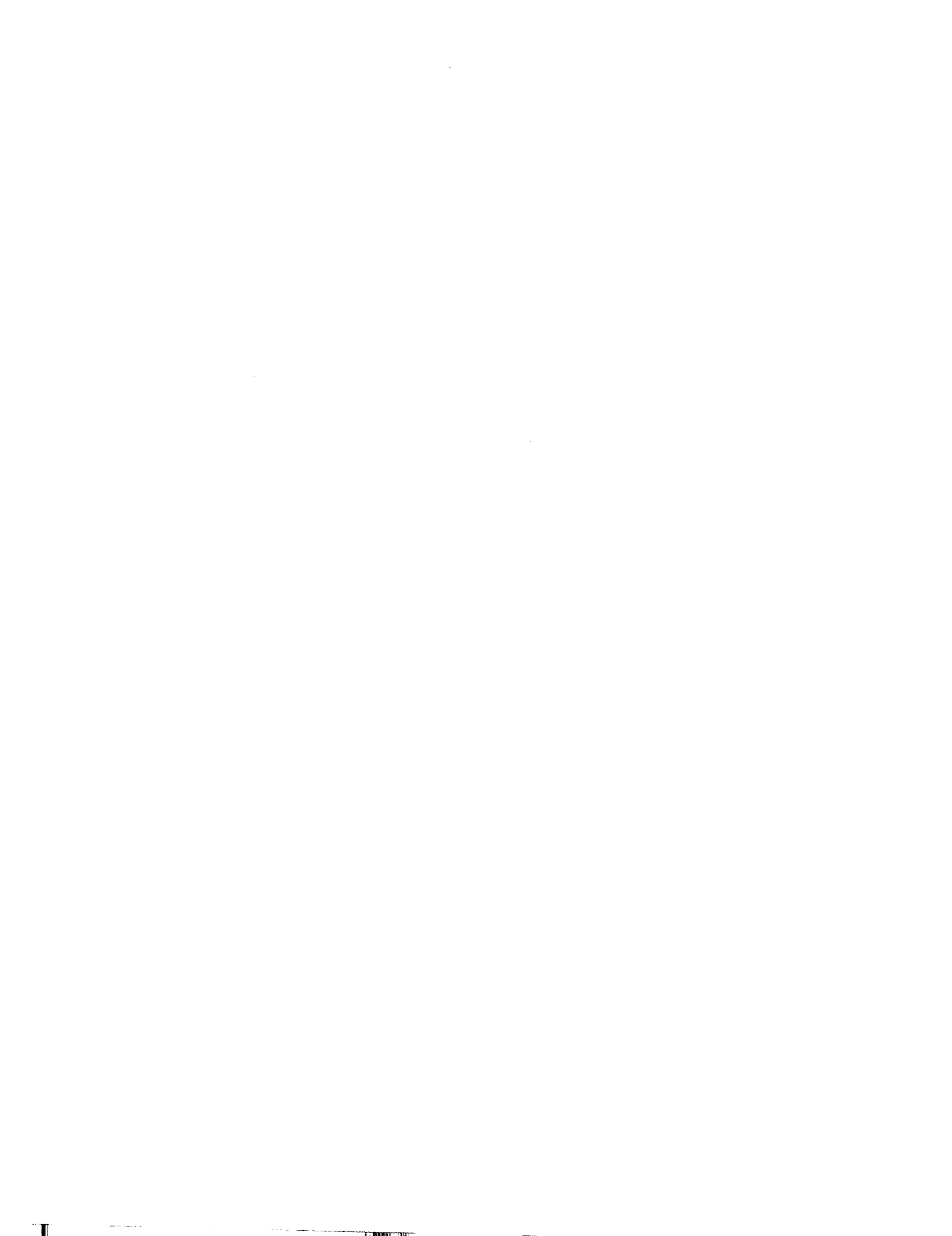


Figure 3.
Employment Status and Change in Wage Rate for Hourly Workers One Year
After Obtaining Hourly Wage Jobs



SOURCE: Congressional Budget Office tabulations of the 1986–1988 panels of the Survey of Income and Program Participation.

NOTE: The change in the hourly wage rate is calculated for people working on both hourly and nonhourly bases after one year. The subsequent wage rate for nonhourly workers is estimated.



Many hourly workers, especially those who started at low wages, received relatively large increases. More than two in five of the low-wage workers and more than one in four of the higher-wage workers received increases of 20 percent or more (see bottom panel, Figure 3). The Consumer Price Index increased by roughly 4 percent a year during this period, so that a 20 percent nominal increase (\$1 per hour for the highest-paid workers in the "low-wage" category) would correspond to a real increase of about 15 percent. The median wage gain of the low-wage group was about 13 percent.

These increases may seem remarkably high in the context of the recent stories of wage stagnation. The apparent inconsistency may be resolved by distinguishing between movements of individuals within a wage structure and movements of the wage structure itself.⁵ While the median wage rate of all workers paid on an hourly basis was only growing by about 4 percent per year, individual workers were still moving up within the structure. In particular, workers early in their careers tend to receive larger percentage increases than they do later.

The likelihood of continued employment and large wage gains were each significantly greater for men and more highly educated workers than for other low-wage workers (see Table 1). Being white and initially working full time also increased the likelihood of continued employment. Likewise, being continuously employed during

5. A parallel distinction between the growth in income inequality and the upward mobility of individual incomes is examined by Isabel V. Sawhill and Mark Condon, "Is U.S. Income Inequality Really Growing? Sorting Out the Fairness Question," *Policy Bites*, The Urban Institute (June 1992).



TABLE 1. FACTORS RELATED TO SUBSEQUENT EMPLOYMENT AND WAGE GAIN FOR NEWLY HIRED LOW-WAGE WORKERS (In percent)

Characteristic in Initial Period ^a	Effect on Probability of Employment One Year Later ^b	Effect On Percentage Wage Gain for those People Employed One Year Later ^c
Age		
16 to 19	-4	-2
20 to 24	-7 *	1
25 to 54	d	d
55 or older	-1	-12 *
Nonwhite	-12 **	-2
Family Status		
Married male	1	1
Married female	-14 **	-19 **
Unmarried female with children ^e	-19 **	-15 *
Unmarried male, no children	d	d
Unmarried female, no children	-6	-14 **
Education		
Less than high school graduate	-14 **	-1
High school graduate	d	d
Some college	5	3
College graduate	10 *	23 **
Industry		
Goods producing	d	d
Retail trade	5	6
Other service industries	4	1
Full Time	6 *	-5
Continuously Employed During the Year	n.a.	10 **

(Continued)

TABLE 1. (Continued)

Characteristic in Initial Period ^a	Effect on Probability of Employment One Year Later ^b	Effect On Percentage Wage Gain for those People Employed One Year Later ^c
Same Employer After One Year	n.a.	-11 **
Employed on a Nonhourly Basis After One Year	n.a.	22 **
Memorandum Average Value of Dependent Variable ^f	70	33

SOURCE: Congressional Budget Office, based on the 1986-1988 panels of the Survey of Income and Program Participation.

NOTES: Entries in the table are the estimated effects of the specified category of the independent variable in relation to the omitted category. Sample means of the variables are listed in Appendix Table A-1.
* and ** indicate statistical significance at the 5 percent and 1 percent levels, respectively.
n.a.= not applicable.

- a. Independent variables also include an intercept term and two categorical variables indicating the year of the panel. The time period for the variable "continuously employed" included in this column is the 12 months after being hired; the period for "same employer after one year" and "employed on a nonhourly basis after one year" is the 12th month after being hired.
- b. Estimated effects based on Logit model evaluated at sample means of the independent variables. Chi-square value for this equation is 137, with 16 degrees of freedom.
- c. Estimated effects based on ordinary least squares regression. Adjusted R-squared for this equation is 0.05.
- d. This category is omitted in the regression model.
- e. This group includes small number of unmarried men with children, none of whom were subsequently employed.
- f. For the first equation, the percentage of workers employed after one year; for the second equation, the average percentage wage increase of workers employed after one year.

the year, changing employers, and moving into a job that paid on a non-hourly basis were each associated with relatively large wage gains.⁶

THE ACQUISITION OF HEALTH INSURANCE BY NEW WORKERS

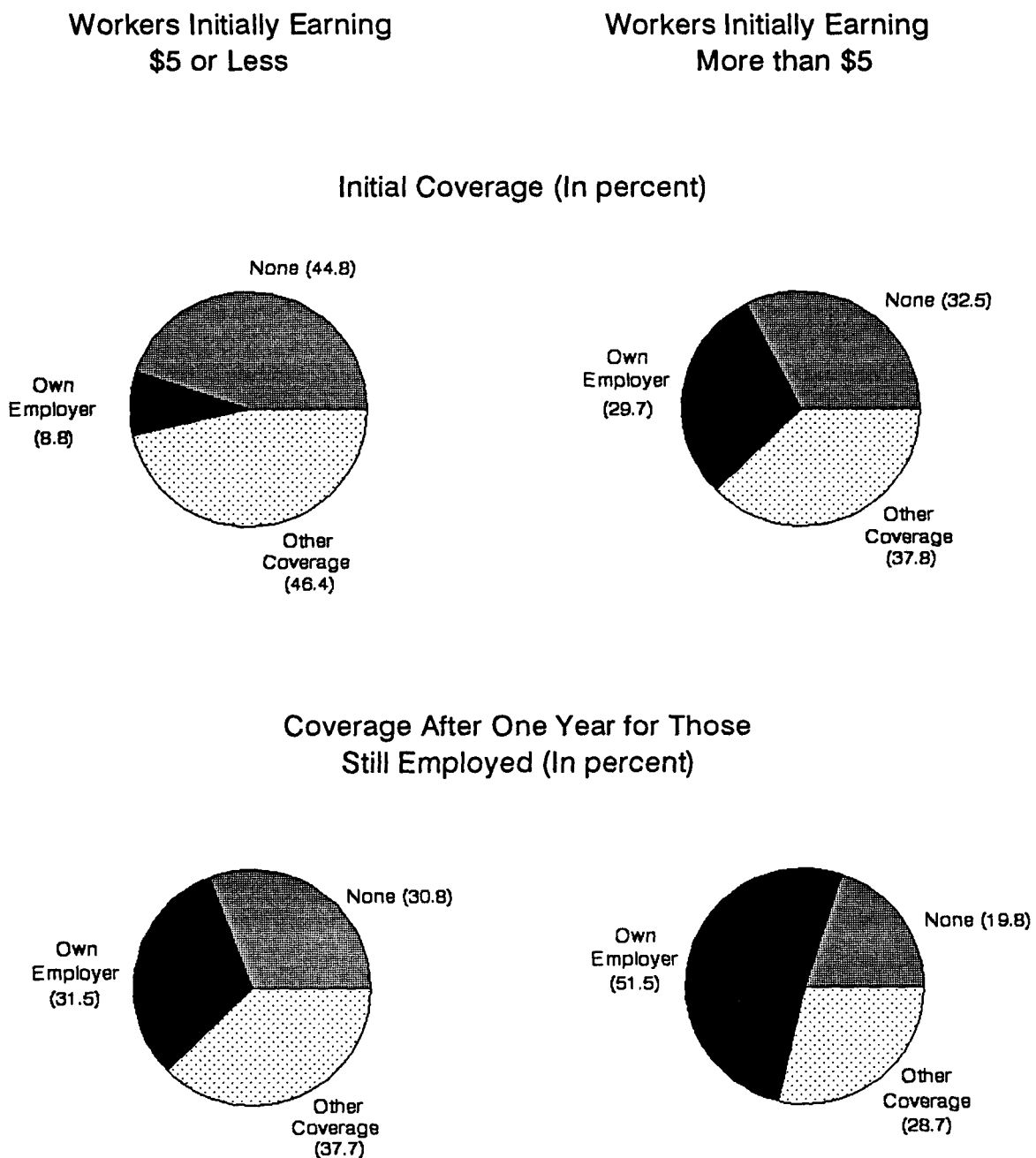
Acquiring health insurance coverage represents another way in which new workers can increase their compensation. Indeed, for uninsured low-wage workers, health insurance may be as valuable as a 20 percent raise. Many advocates of mandatory health insurance coverage, or of "play or pay" plans, argue that employers should be responsible for providing health insurance coverage at least for their full-time workers. Opponents argue that, especially for low-wage workers, this would substantially increase firms' obligations and would discourage them from hiring low-wage workers.

The health insurance status of workers hired at low wages provides a mixed story. Most people who began low-wage jobs in 1986, 1987, or 1988 did not start out with health insurance coverage through their employers, and 45 percent had no coverage at all (see top panel, Figure 4). Twelve months later, about one-third of the workers who were employed were covered by insurance provided through their employers. A lack of coverage through their own employers, however, does not necessarily mean no coverage at all. Indeed, workers eligible for insurance coverage from their employers may well turn it down if they can acquire better or cheaper

6. In this analysis, continuous employment is defined as receipt of earnings 12 months after first being hired, and in at least 9 of the 11 intervening months.



Figure 4.
Health Insurance Coverage of Newly Hired Workers: Initially and One Year
After Job Acquisition



SOURCE: Congressional Budget Office tabulations of the 1986–1988 panels of the Survey of Income and Program Participation.



coverage through other sources, such as through policies held by their spouses. The majority of the workers who did not have insurance provided through their own employers had some other type of coverage.

For low-wage workers who started without employment-based insurance from their employers and were working after 12 months (though not necessarily continuously or for the same employer), the percentage who acquired it increased steadily with length of employment (see middle line, top panel, Figure 5).⁷ Four months after beginning a job without employment-based health insurance, 15 percent of these low-wage workers had obtained insurance through their jobs; this proportion rose to 27 percent by 12 months.⁸

Whether or not workers acquire health insurance through their employers depends partly on whether alternative coverage is available. Those who lacked any coverage in their first month of employment were much more likely to acquire coverage through their employers than were those who already had other coverage. Presumably this reflects differences in people's decisions about where to seek work and whether to accept insurance from employers who offer it. Two-worker couples, for example,

7. Most of the workers who started out with health insurance coverage through their employers and who were working one year later were still insured, either through their employers or through other coverage.

8. Although month-by-month estimates of the acquisition of health insurance are provided in Figure 5, these estimates are subject to considerable reporting error because of the "seam bias" problem in SIPP. Every four months, respondents were asked whether they had insurance during the preceding four-month period and, if so, in which months they were covered. Most recorded changes in health coverage occurred at the beginning of these four-month waves. See Jacob Alex Klerman and Omar Rahman, "Employment Change and Continuation of Health Insurance Coverage," in Department of Labor, *Health Benefits and The Workforce* (1992), pp. 100-102.

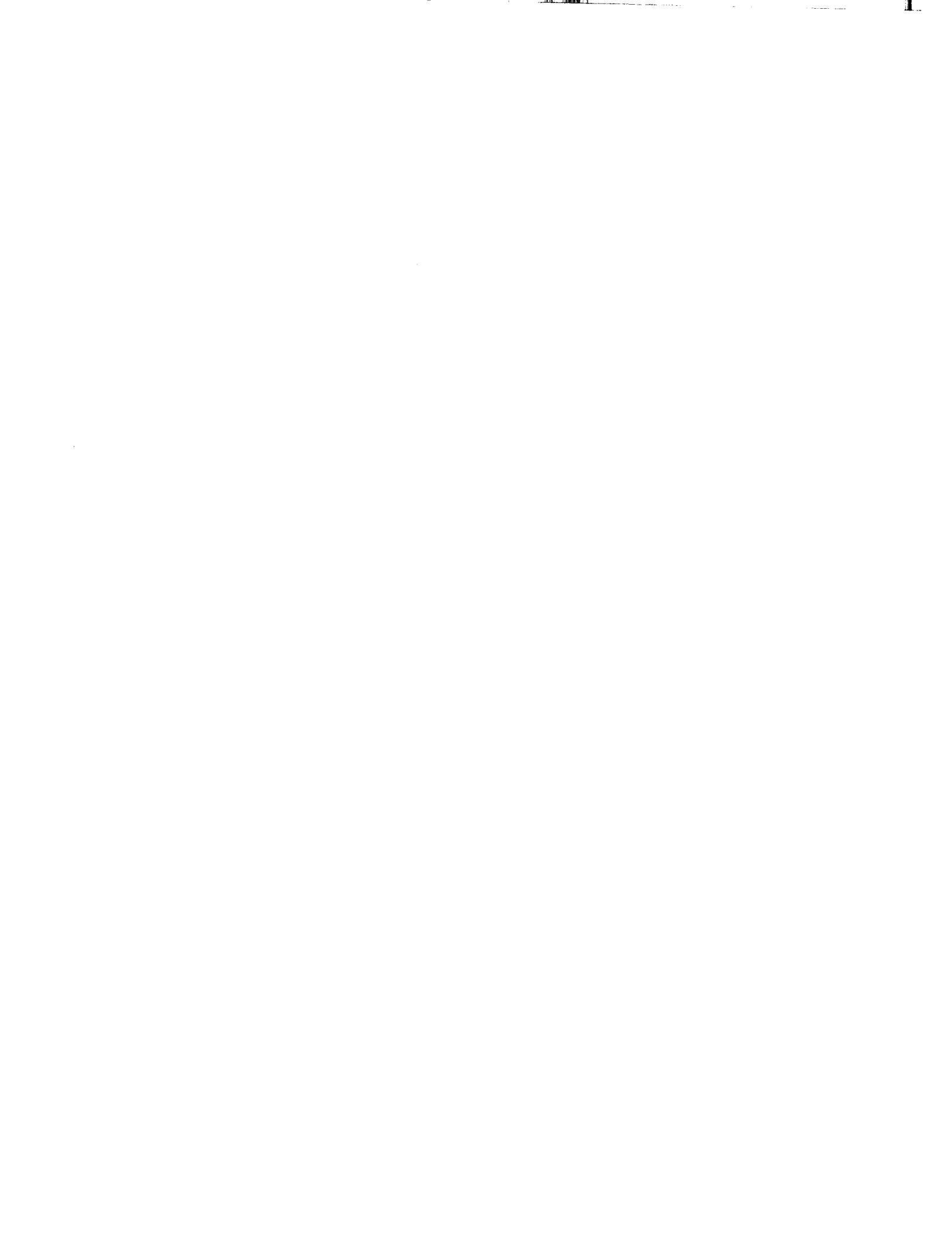
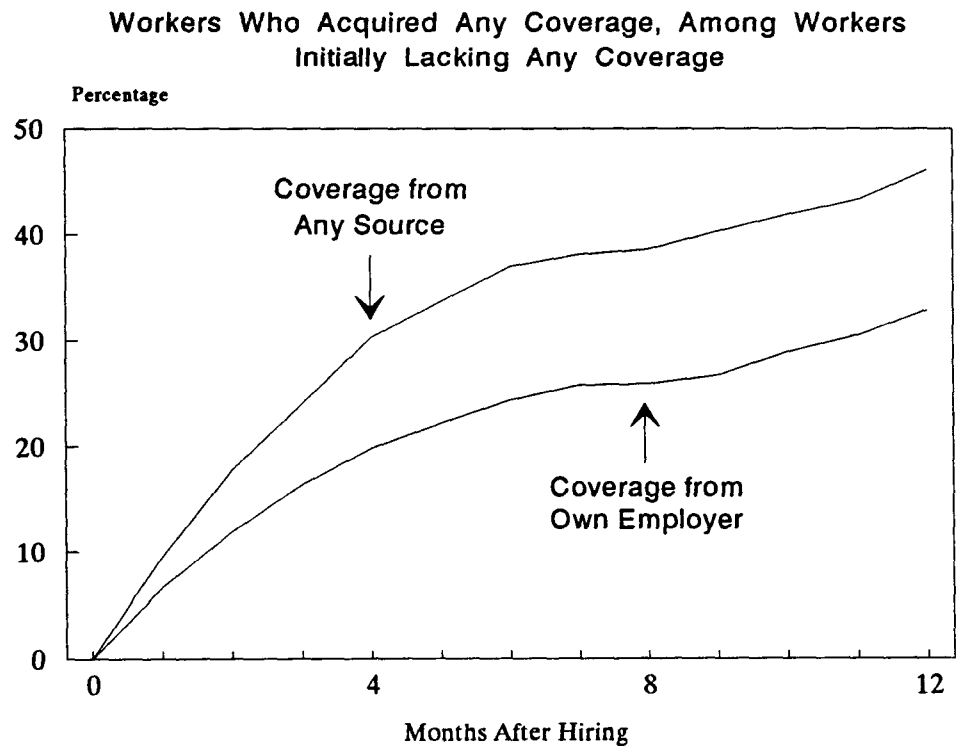
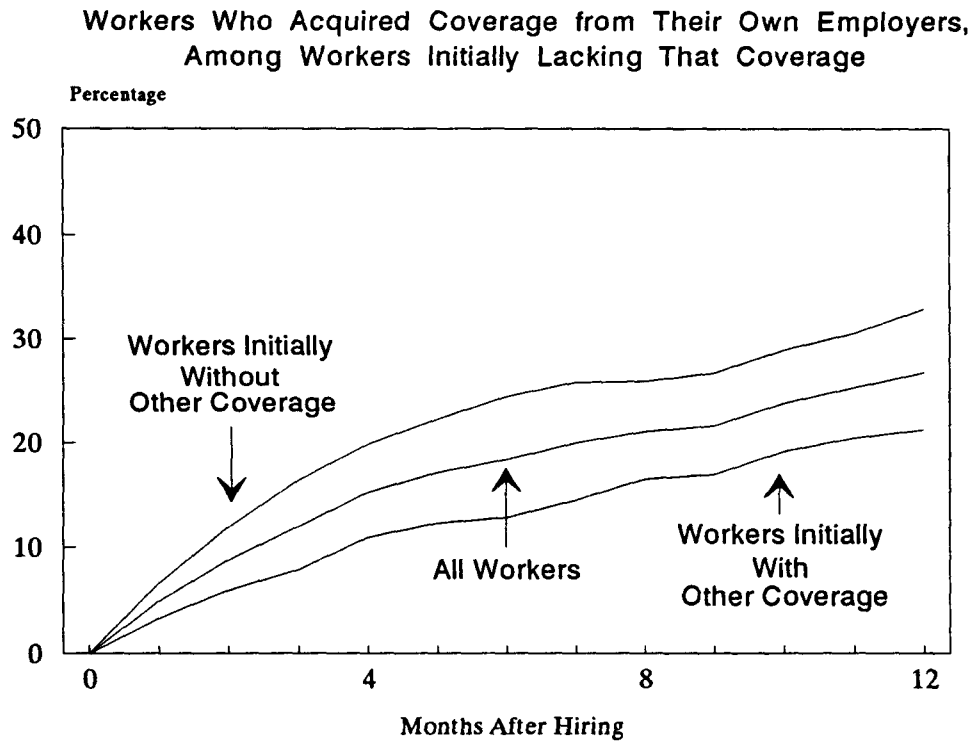


Figure 5.
Acquisition of Health Insurance Coverage by Low-Wage Workers
Employed After One Year



SOURCE: Congressional Budget Office tabulations of the 1986–1988 panels of the Survey of Income and Program Participation.



often may choose to be covered by a family plan offered by either the husband's or the wife's employer, rather than accept individual policies from both employers.

Most of the gain in health insurance coverage for workers who lacked any coverage came from their own employers. Of the 46 percent of initially uninsured workers who obtained some form of coverage by the end of the year in which they were hired, for example, more than two-thirds obtained coverage from their own employers (see bottom panel, Figure 5).

Several factors were related to whether workers who were hired at low-wage rates obtained health insurance from their employers during the first year on the job (see Table 2). Those who worked full time, all year and moved into non-hourly jobs were more likely to acquire insurance from their employers. Married women were unlikely to acquire insurance through their employers, however, as were older workers (many of whom had other sources of insurance coverage). These patterns were similar for those initially lacking any form of coverage.

Surprisingly, changing employers did not make it more likely that workers would acquire employment-based health insurance. About 70 percent of the workers who did not initially have employment-based coverage changed employers in the one-year period, but those workers were just as likely to obtain employment-based coverage as those who did not change employers. Moreover, even when differences in other characteristics were taken into account, the two groups' likelihood of obtaining coverage remained similar.

TABLE 2. FACTORS RELATED TO THE ACQUISITION OF HEALTH INSURANCE BY LOW-WAGE WORKERS WHO INITIALLY LACK COVERAGE (In percent)

Characteristic in Initial Period ^a	Effect on the Probability of Acquiring Coverage from Own Employer ^b	
	Those Initially Without Coverage Through Their Own Employer	Those Initially Without Any Coverage
Age		
16 to 19	5	2
20 to 24	6	7
25 to 54	c	c
55 or older	-17 **	-18
Nonwhite	1	1
Family Status		
Married male	9	7
Married female	-11 **	-17 **
Unmarried female with children	7	8
Unmarried male, no children	c	c
Unmarried female, no children	-4	-5
Education		
Less than high school graduate	-3	-5
High school graduate	c	c
Some college	5	9
College graduate	10	17
Industry		
Goods producing	c	c
Retail trade	-3	-6
Other service industries	2	5
Full Time	11 **	10 *
Continuously Employed During the Year	15 **	16 **

(Continued)

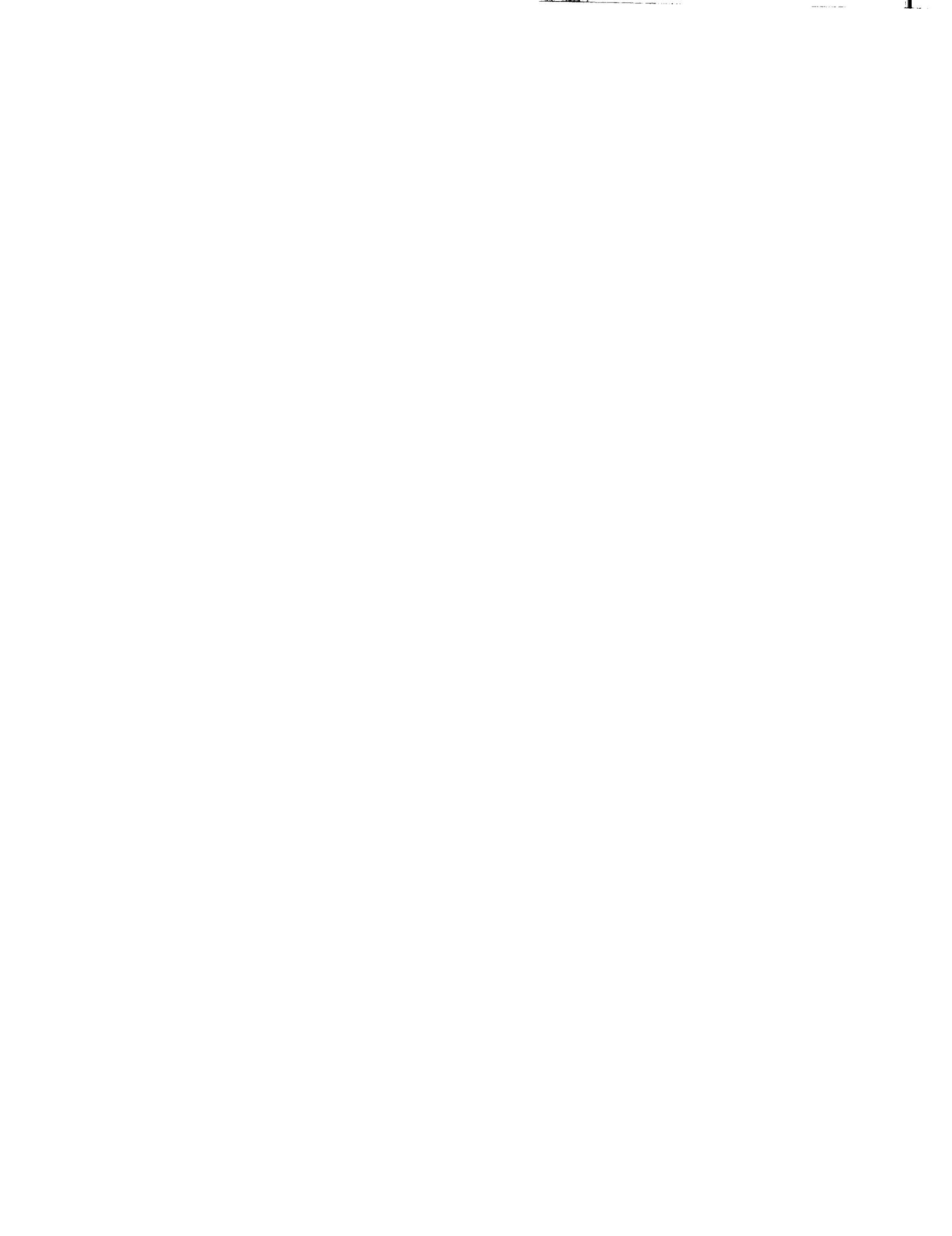


TABLE 2. (Continued)

Characteristic in Initial Period ^a	Effect on the Probability of Acquiring Coverage from Own Employer ^b	
	Those Initially Without Coverage Through Their Own Employer	Those Initially Without Any Coverage
Same Employer After One Year	0	4
Employed on a Nonhourly Basis After One Year	10 **	9
Memorandum Average Value of Dependent Variable ^d	27	33

SOURCE: Congressional Budget Office, based on the 1986-1988 panels of the Survey of Income and Program Participation.

NOTES: Entries in the table are the estimated effects of the specified category of the independent variable in relation to the omitted category. Sample means of the variables are listed in Appendix Table A-1.

* and ** indicate statistical significance at the 5 percent and 1 percent levels, respectively.

- a. Independent variables also include an intercept term and two categorical variables indicating the year of the panel. The time period for the variable "continuously employed" included in this column is the 12 months after being hired; the period for "same employer after one year" and "employed on a nonhourly basis after one year" is the 12th month after being hired.
- b. The estimated effects are based on Logit models evaluated at the sample means of the independent variables. Chi-square values for the equations are 155 and 76, respectively, each with 19 degrees of freedom.
- c. This category is omitted in the regression model.
- d. For workers initially lacking health insurance through their own employer (the first column) and for those initially lacking any coverage (second column), the percentage acquiring health insurance coverage through their employer.



Although the process by which workers could obtain health insurance from a new employer is fairly obvious, it is less clear how workers who remain with their original employers subsequently obtain coverage. One explanation is the existence of probationary work periods for new employees, during which employers withhold permanent employment status and many fringe benefits from workers. Indeed, half of the workers who acquired insurance from their original employer did so within four months after they were hired. Other explanations include the fact that if new workers do not initially enroll in health insurance programs, they may have to wait until the next "open season" to do so. Such open enrollment periods may be as infrequent as one a year. In addition, workers may become eligible for coverage because they change from seasonal or part-time status to regular full-time status. Finally, it is also possible that new employees may not immediately realize that they are covered by an employer's health insurance plan.

THE EXPERIENCES OF NEW LOW-WAGE WORKERS EMPLOYED FULL TIME AND YEAR-ROUND

As illustrated by the comment of Bane and Ellwood at the beginning of this paper, the lack of employment-based health insurance in many low-wage jobs is a major concern, partly because it provides incentives to choose welfare over work. The estimates in this paper confirm that workers hired at low wages generally do not receive health insurance from their employers, although many obtain it elsewhere. The estimates also demonstrate that the majority of workers who start out with low-wage jobs and are



working one year later still do not have health insurance coverage through their own employers.

Those low-wage workers who were employed continuously and on a full-time basis during the year might be considered as the most "worthy" in the terminology of Bane and Ellwood, in the sense that they appeared to have done everything society could reasonably expect them to do. They got a job, usually worked at least 35 hours per week, and worked throughout the year. This group constitutes a minority of all of the people who started low-wage jobs in the 1986-1988 period and were working one year later; actually about one-third of the group.

How did they fare? Do their wage increases and changes in health insurance coverage indicate that the system is working well for those who give it a chance, or do they suggest that this group has been abandoned and needs help? The answer depends to a considerable extent on the standard used to assess progress. For example, someone who lacks any health insurance and whose hourly wage rate has increased from \$5 to \$6 in one year has made substantial progress--a 20 percent wage gain--but nonetheless may be worse off than someone who remained at the \$5 level and received health insurance coverage from his or her employer throughout the year. (About one in seven of the group considered in this section started out with employment-based coverage.)

The system seems to be working well for some of this group, but not for others (see Table 3). Almost 60 percent of the nearly 4 million full-time workers who started



TABLE 3. THE STATUS, ONE YEAR LATER, OF LOW-WAGE WORKERS WHO WORKED YEAR-ROUND ON A FULL-TIME BASIS

Changes in Wage Rate and Health Insurance Status	Number of Workers	
	In thousands	In percent
Progressing		
Received a wage increase of at least 20 percent, unless lost employment-based insurance	1,990	51
Acquired insurance through employer, unless no wage increase ^a	820	21
Overlap (20 percent wage increase and acquired insurance through employer)	(540)	(14)
Subtotal	2,280	58
Not Progressing		
Wage increase of less than 10 percent, unless acquired insurance through employer ^a	980	25
Lost employment-based insurance, unless received a wage increase of at least 20 percent	60	1
Overlap (less than 10 percent wage gain and lost employment-based insurance)	(20)	(1)
Subtotal	1,010	26

(Continued)

TABLE 3. (Continued)

Changes in Wage Rate and Health Insurance Status	Number of Workers	
	In thousands	In percent
Mixed		
Wage increase of 10 percent to 20 percent, and not included above	420	11
Wage increase of at least 20 percent, but lost employment-based insurance	50	1
No wage increase, but acquired insurance through employer	140	4
Other	30	1
Subtotal	650	16
Memorandum		
All full-time year-round workers	3,930	100

SOURCE: Congressional Budget Office tabulations of the 1986-1988 panels of the Survey of Income and Program Participation.

NOTE: This table is based on a much smaller sample than are the other displays in this staff memorandum. It includes only 474 cases in which the respondent was hired for a job that paid \$5 per hour or less, was working after 12 months, usually at least 35 hours per week, and had earnings in at least 9 of the 11 months in between.

Details may not add to totals because of rounding.

a. For those previously uninsured.



low-wage jobs in the 1986-1988 period and worked full time during most of the year either received a wage increase of at least 20 percent (15 percent, after adjusting for inflation), acquired health insurance coverage from their employers (for those who initially had no coverage), or did both. The workers who received these relatively large raises and also gained coverage--about 14 percent of the total--did especially well.

At the other end of the scale, about one in four of these low-wage, year-round workers who were employed full time appeared to be stalled. Nearly all of this group had a wage rate that was less than 10 percent higher than their starting wage (that is, less than a 6 percent real increase). The wage rates of many of these workers had not even kept up with inflation. Their lack of progress seems to fit the characterization of being in "dead-end" jobs.

TABLE A-1. SAMPLE MEANS OF INDEPENDENT VARIABLES RELATED TO CONTINUED EMPLOYMENT AND ACQUISITION OF HEALTH INSURANCE BY NEWLY HIRED LOW-WAGE WORKERS (In percent)

Characteristic in Initial Period ^a	Newly Hired Low-Wage Workers			
	All	Those Employed After One Year		
		All Employed ^b	From Their Own Employer	From Any Source
Age				
16 to 19	14	15	15	14
20 to 24	23	22	21	28
25 to 54	55	56	57	56
55 or older	8	8	7	3
Nonwhite	19	17	16	18
Family Status				
Married male	11	13	12	15
Married female	37	35	36	23
Unmarried female with children	11	8	8	8
Unmarried male, no children	23	25	25	33
Unmarried female, no children	18	19	19	22
Education				
Less than high school graduate	32	27	27	31
High school graduate	48	51	50	49
Some college	14	15	16	15
College graduate	6	7	7	5
Industry				
Goods producing	23	23	22	26
Retail trade	36	37	38	37
Other service industries	40	40	41	37
Full Time	53	55	53	64
Continuously Employed During the Year	n.a.	73	69	69

(Continued)

TABLE A-1. (Continued)

Characteristic in Initial Period ^a	Newly Hired Low-Wage Workers			
	All	All Employed ^b	Those Employed After One Year	
			From Their Own Employer	From Any Source
Same Employer After One Year	n.a.	34	31	28
Employed on a Nonhourly Basis After One Year	n.a.	12	11	12
Initial Year of Panel				
1986	36	35	35	34
1987	34	35	34	34
1988	30	30	31	33
Memorandum				
Sample Size	2,075	1,375	1,323	623

SOURCE: Congressional Budget Office, based on the 1986-1988 panels of the Survey of Income and Program Participation.

NOTES: Details may not add to totals because of rounding.
n.a. = not applicable.

- a. The time period for the variable "continuously employed" included in this column is the 12 months after being hired; the period for "same employer after one year" and "employed on a nonhourly basis after one year" is the 12th month after being hired.
- b. This column omits workers for whom subsequent earnings were not available, while the other columns include them.