

The Assault on American Jobs,
Families, Health Care and Retirement
And How You Can Fight Back

The Great Risk Shift

JACOB S. HACKER

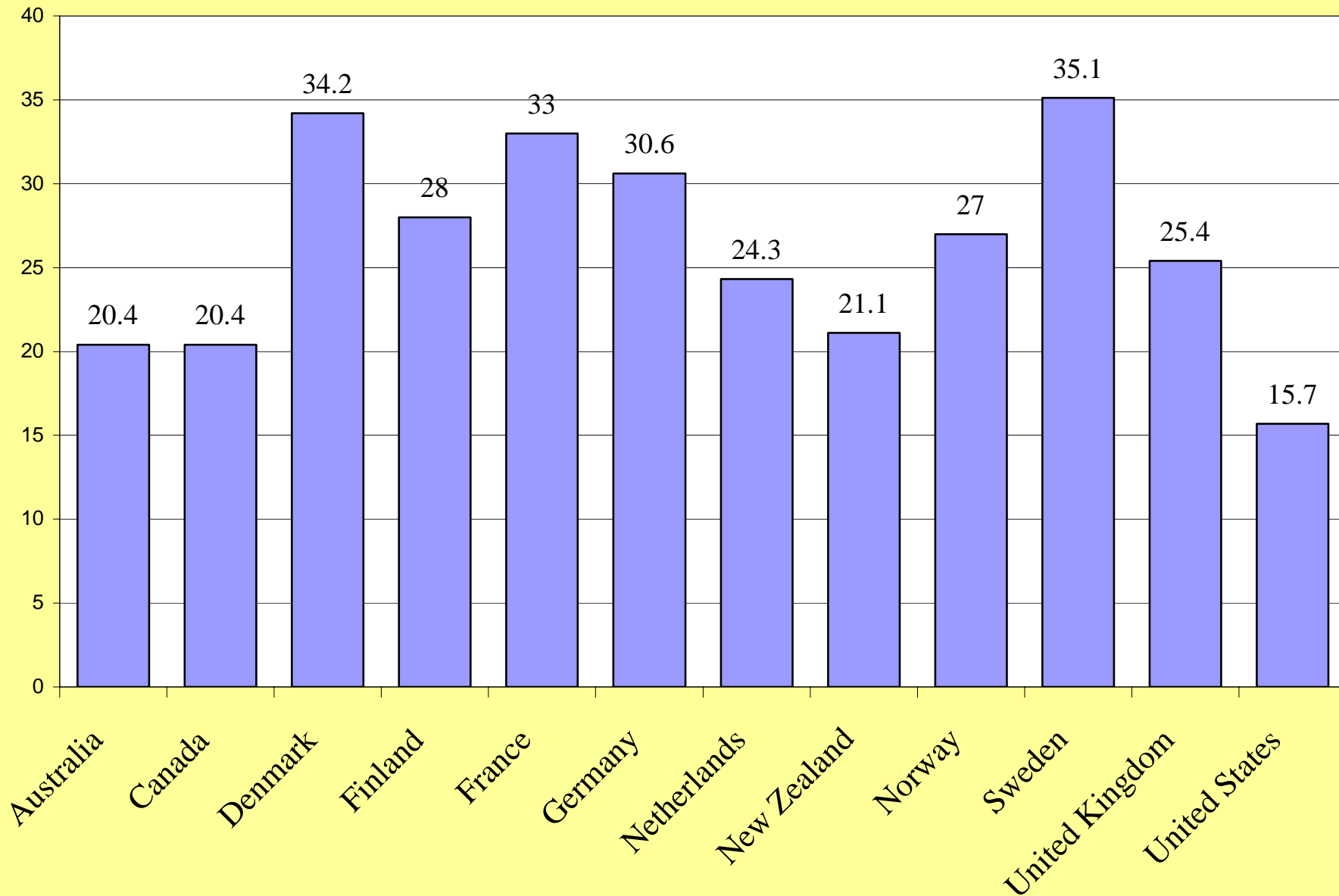




Nicole Bengiveno/The New York Times

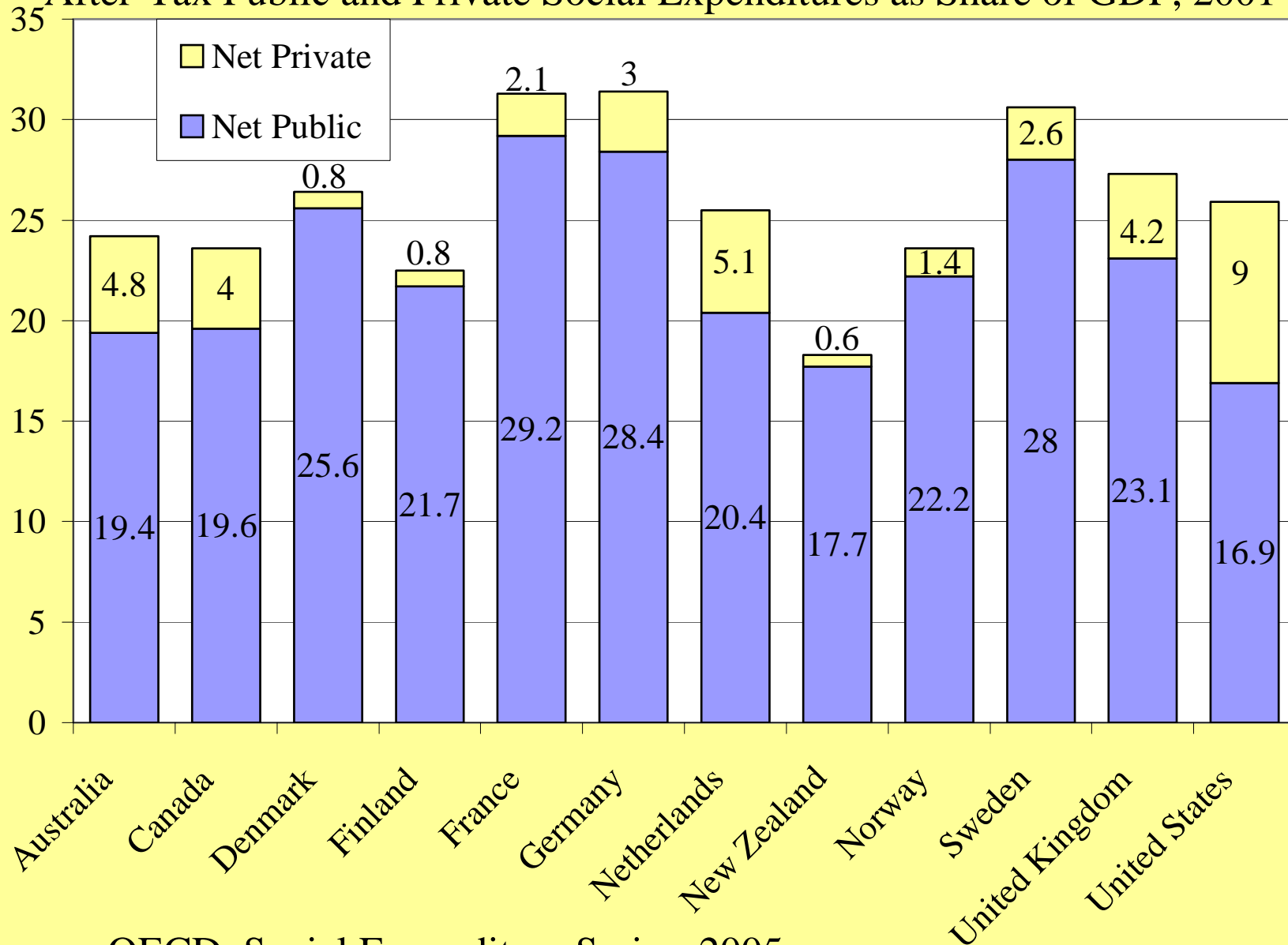
Arnold and Sharon Dorsett with their children, Dakota, Zachery and Jessica, back. Though they had insurance, the Dorsetts had to file for bankruptcy because of Zachery's health care costs.

Total Public Social Expenditures as Share of GDP, 2001



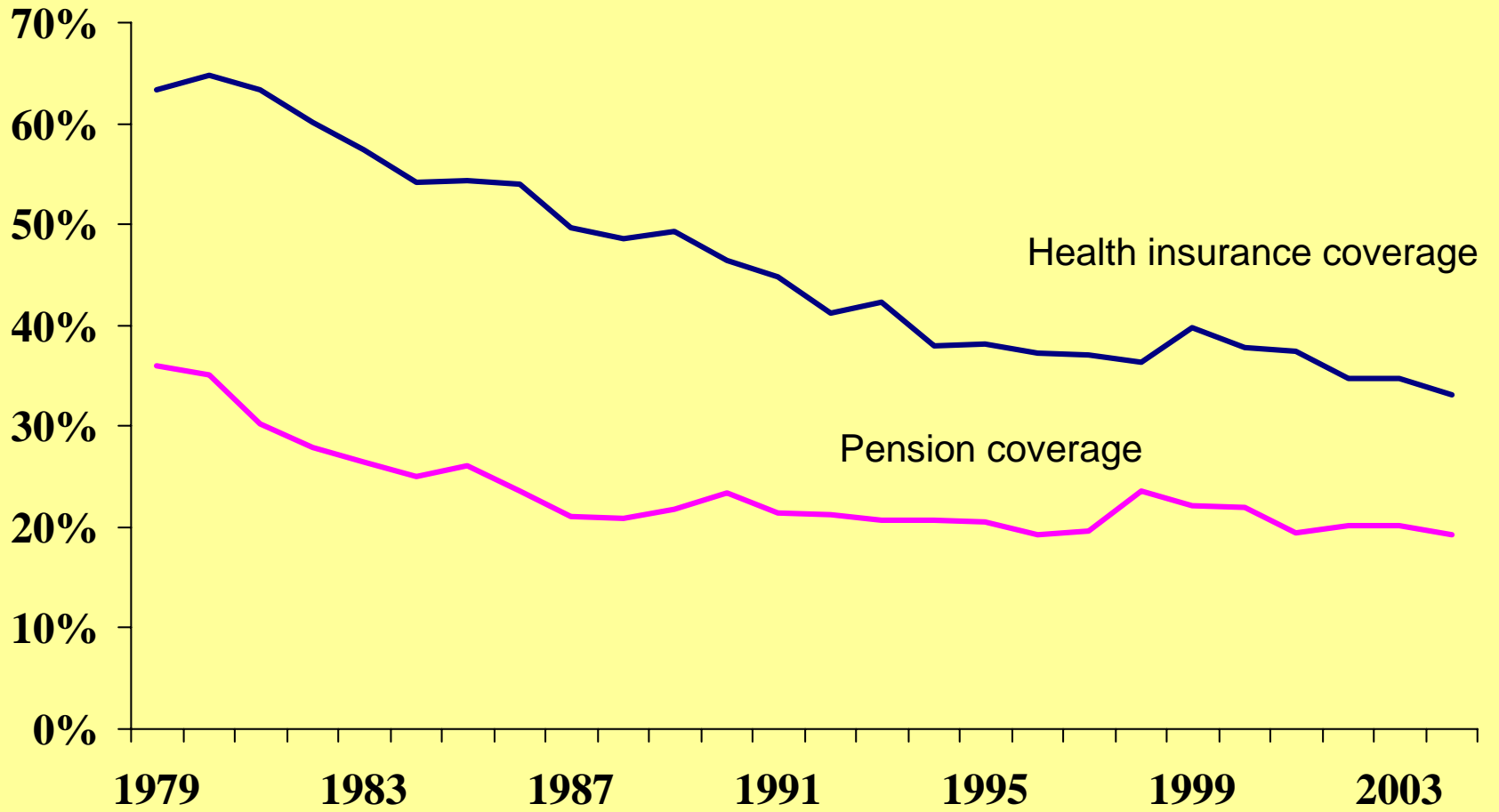
Source: OECD, Social Expenditure Series, 2005.

After-Tax Public and Private Social Expenditures as Share of GDP, 2001

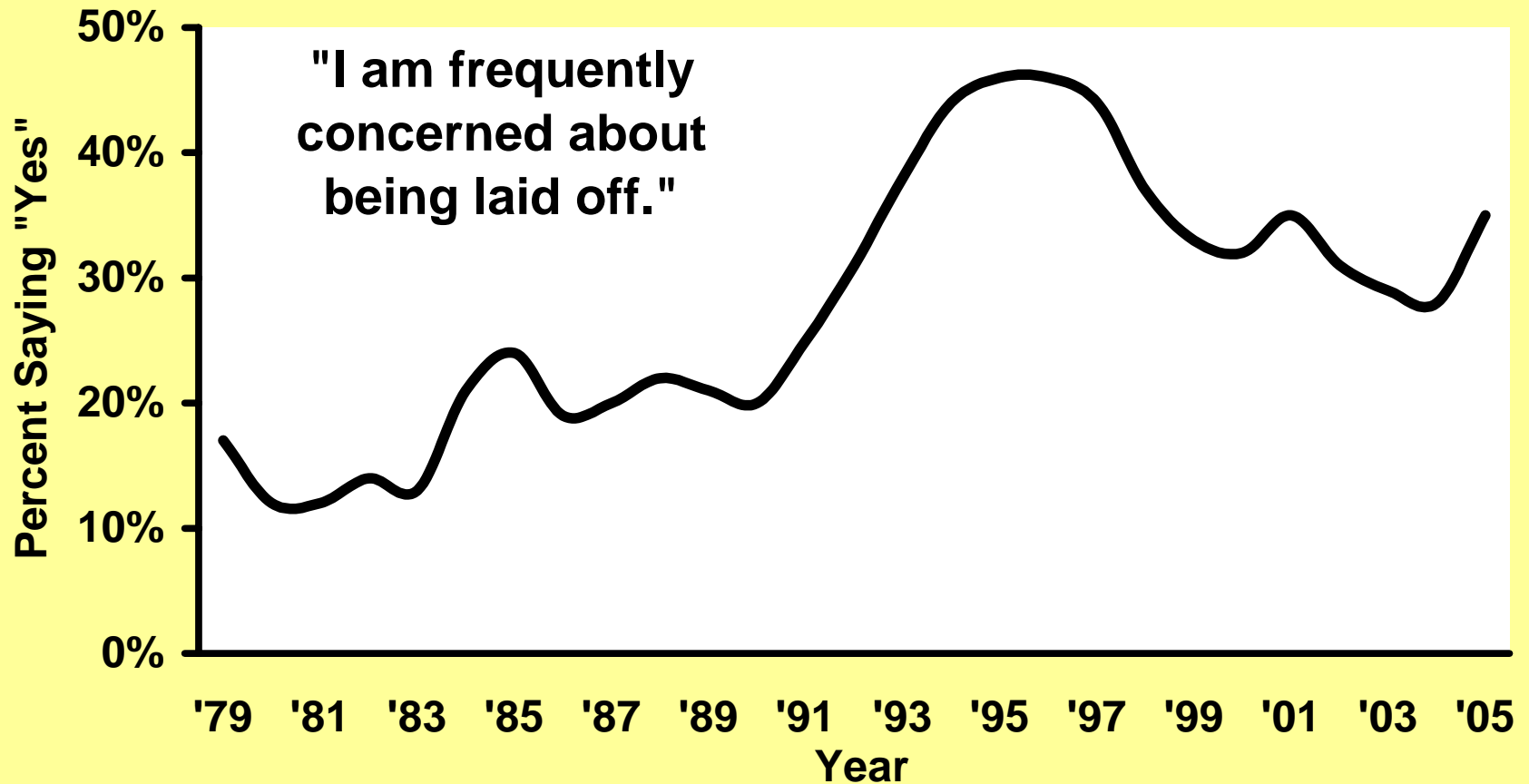


Source: OECD, Social Expenditure Series, 2005.

Health and pension coverage for recent high-school graduates

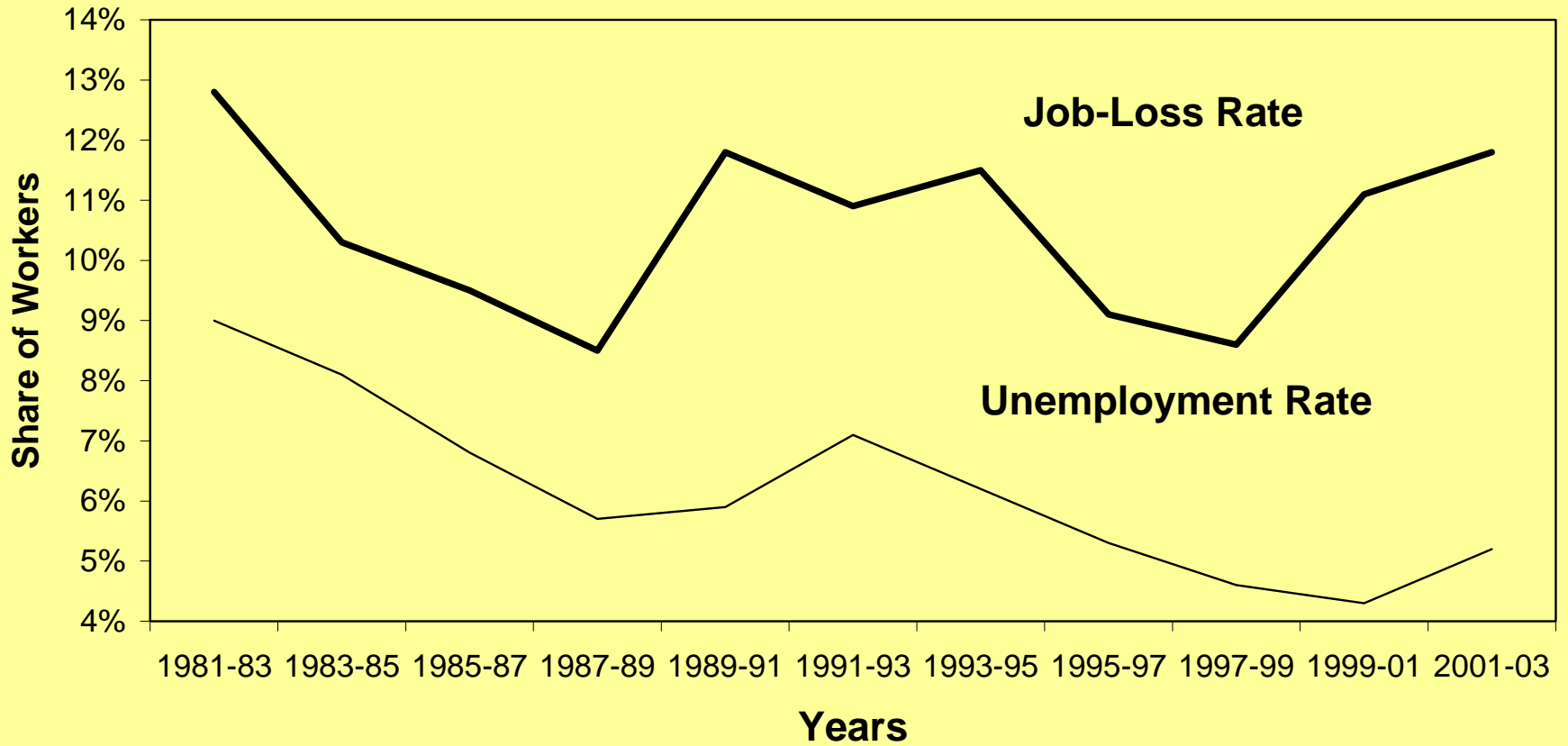


A Growing Perception of Job Insecurity



Source: Proprietary data courtesy of ISR; for general information, see <http://www.isrinsight.com>.

Job Loss vs. Unemployment



Source: Henry Farber, “What Do We Know About Job Loss in the United States?” January 2005.

Prevalence of Structural Change in New York State Downturns, 1970-2003

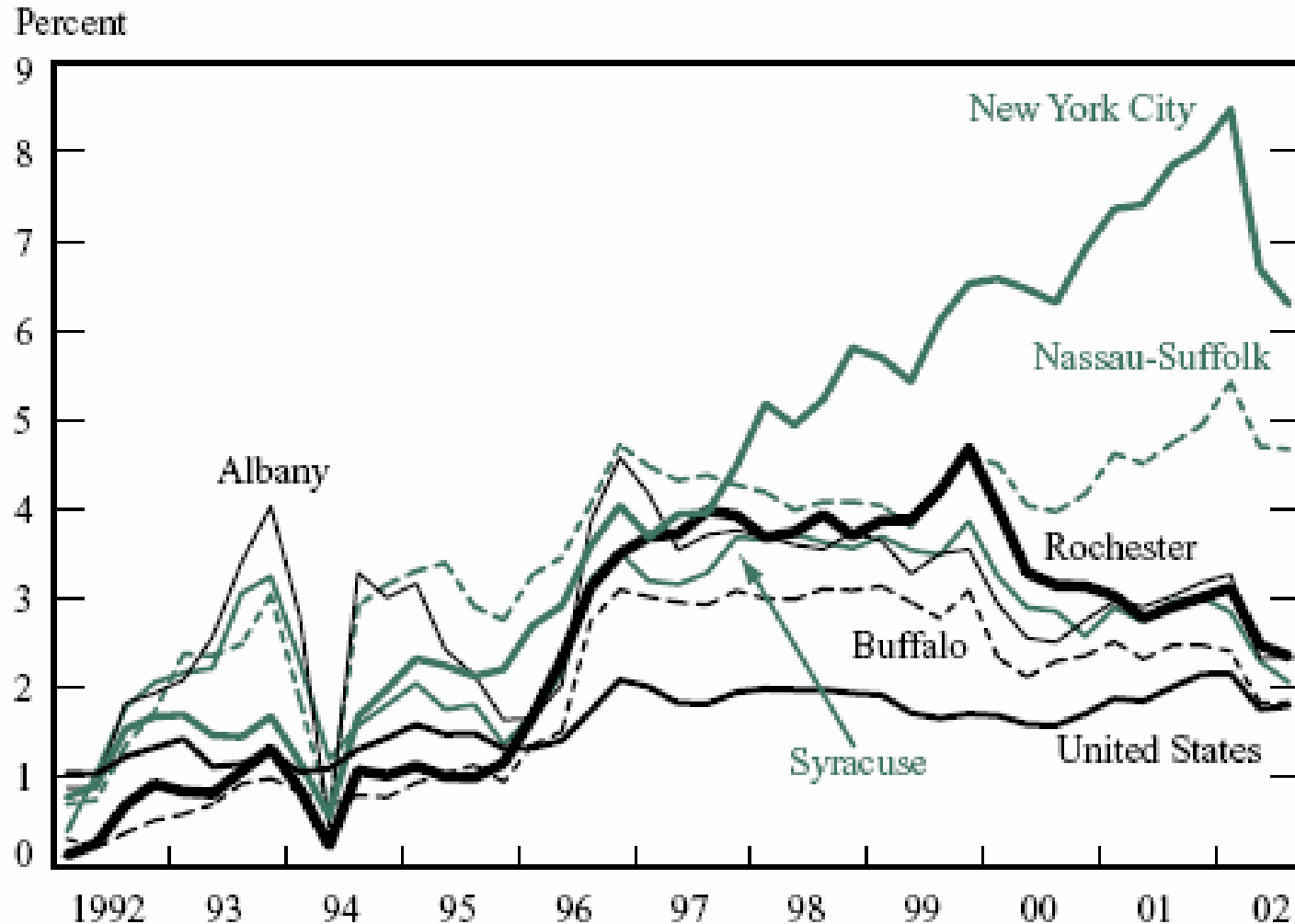
Date of Recession	Percentage of New York State Jobs in Industries That Experienced ...			
	Cyclical Change	Structural Gains	Structural Losses	Structural Change ^a
1970s	70	8	22	30
1980s	53	42	5	47
1990s	6	12	81	94
2001-03	33	23	44	67

Sources: U.S. Bureau of Labor Statistics; authors' calculations.

^aSum of percentages in the second and third columns.

Source: Erica L. Groshen, Simon Potter, and Rebecca J. Sela, "Economic Restructuring in New York State," Federal Reserve Bank of New York, June 2004.

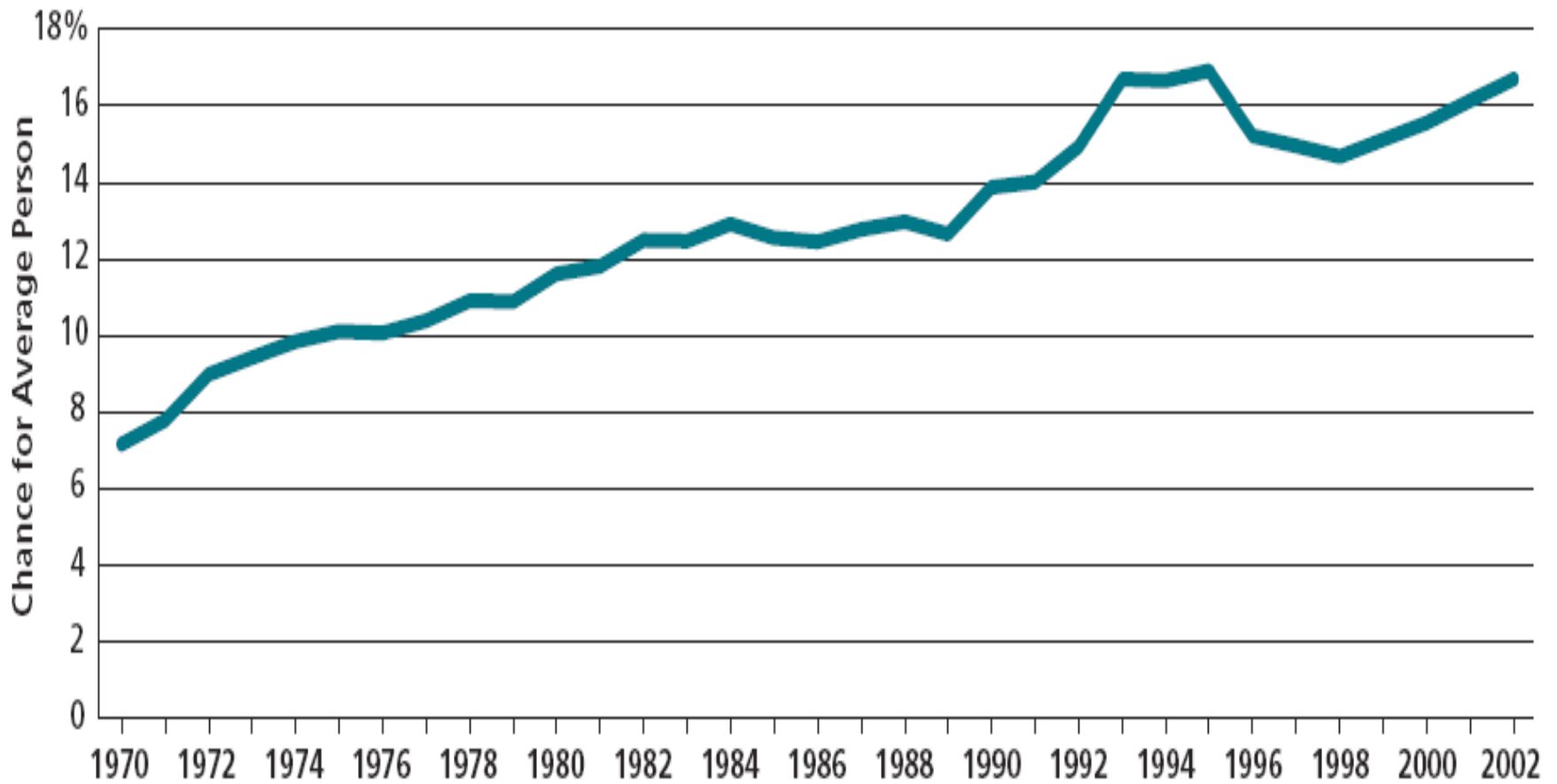
Foreclosure Rates on FHA Residential Mortgage Loans: New York State Metro Areas and the Nation



Source: Loanperformance.com.

Source: FEDERAL RESERVE BANK OF NEW YORK, BUFFALO BRANCH, *THE REGIONAL ECONOMY OF UPSTATE NEW YORK*, Spring 2003.

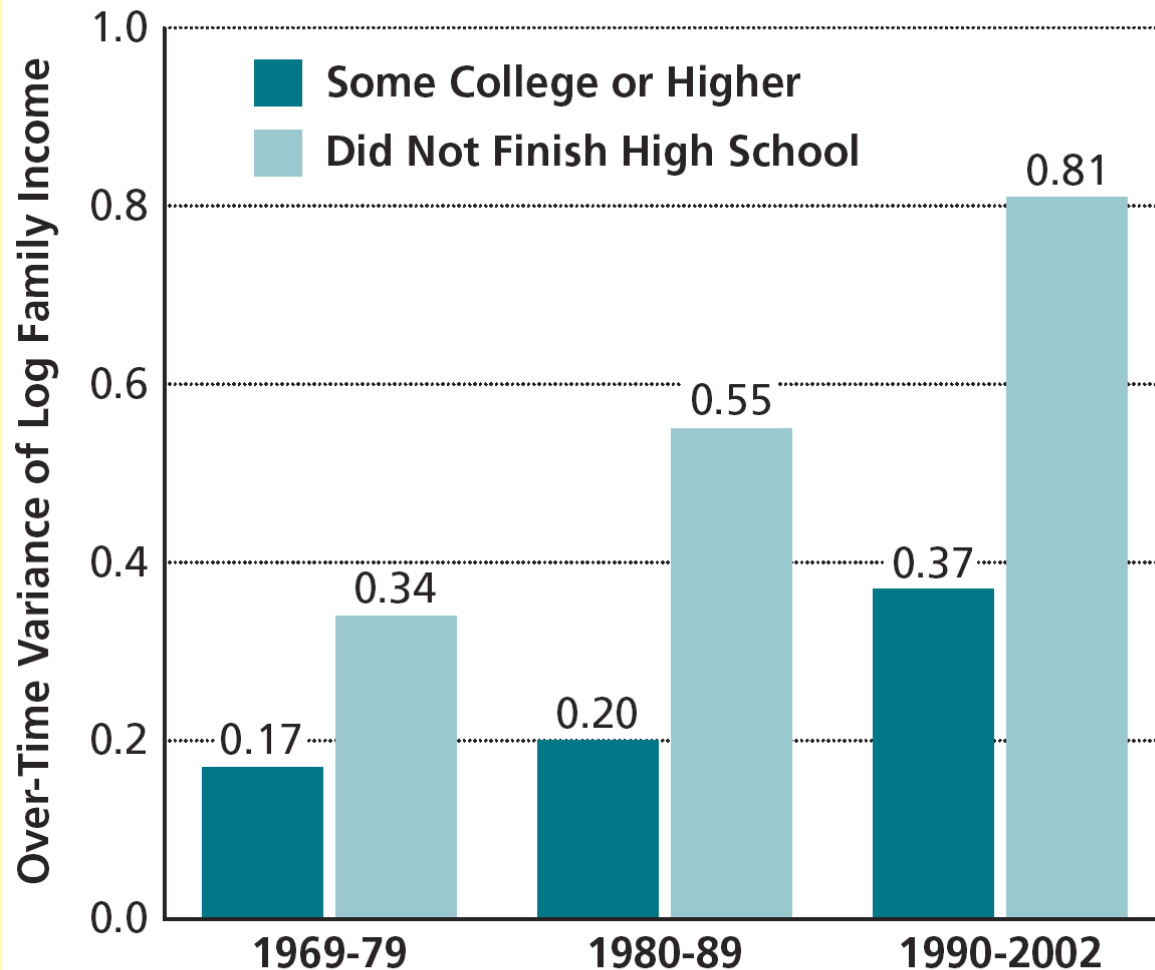
Predicted Probability of 50 Percent or Greater Income Drop, 1970–2002



Source: PSID; CNEF.

Note: Probabilities are based on the time trend from a logistic regression, with all other variables set at their annual means. Variables include age, education, race, gender, income (mean of five prior years), and a series of events (such as unemployment and illness) that affect income. The time trend is highly significant and robust to the inclusion of fixed effects; all standard errors are robust and adjusted for clustering.

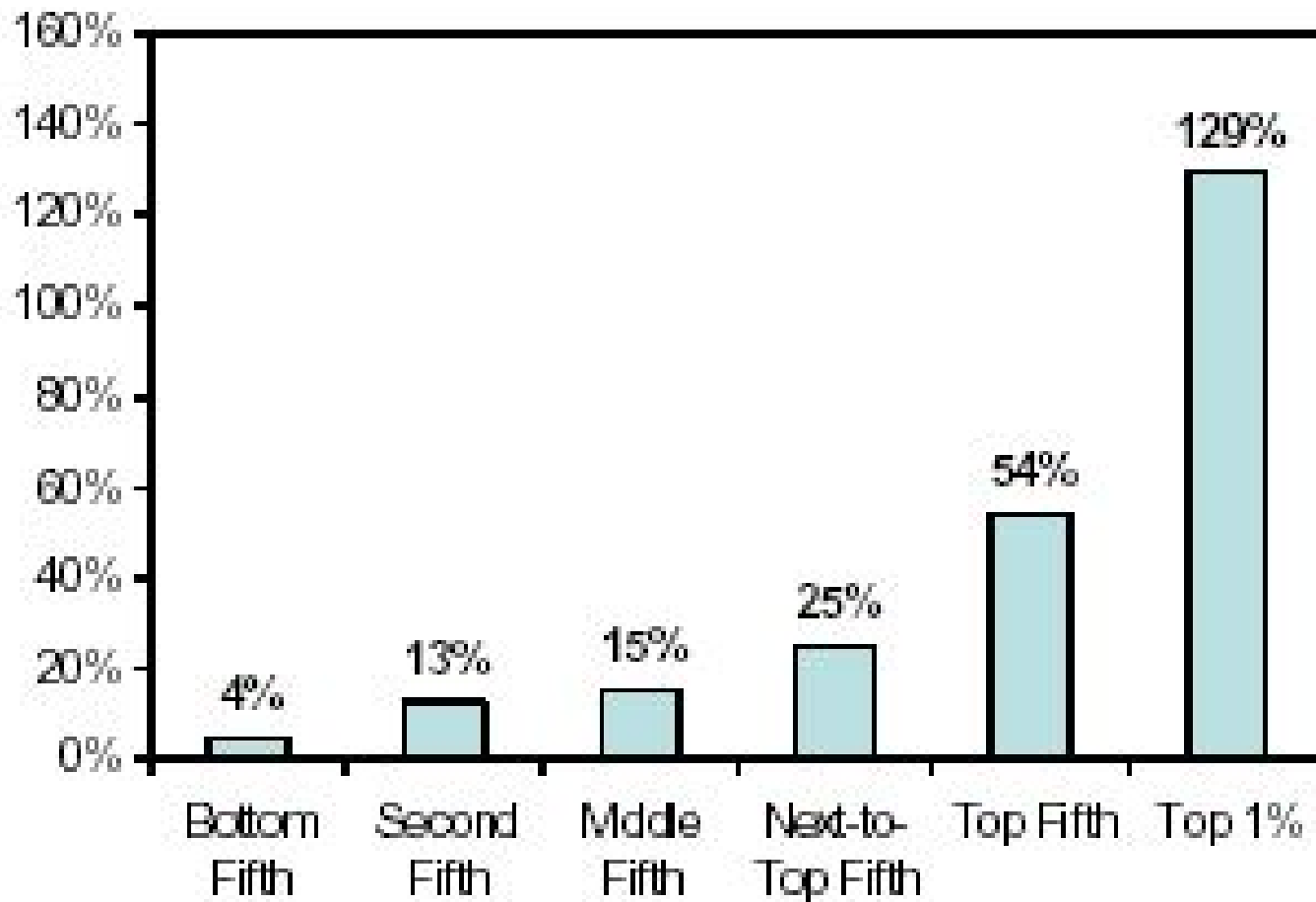
Income Instability Increased at Both High and Low Educational Levels, 1969–2002



Source: PSID and Cross-National Equivalent File (CNEF), Cornell University.
http://www.human.cornell.edu/che/PAM/Research/Centers-Programs/German-Panel/Cross-National-Equivalent-File_CNEF.cfm

Note: For a description of these calculations, see Hacker 2006.

Change in Average After-Tax Income: 1979-2003



Source: Congressional Budget Office

Source: Center on Budget and Policy Priorities, www.cbpp.org

January 11, 2004

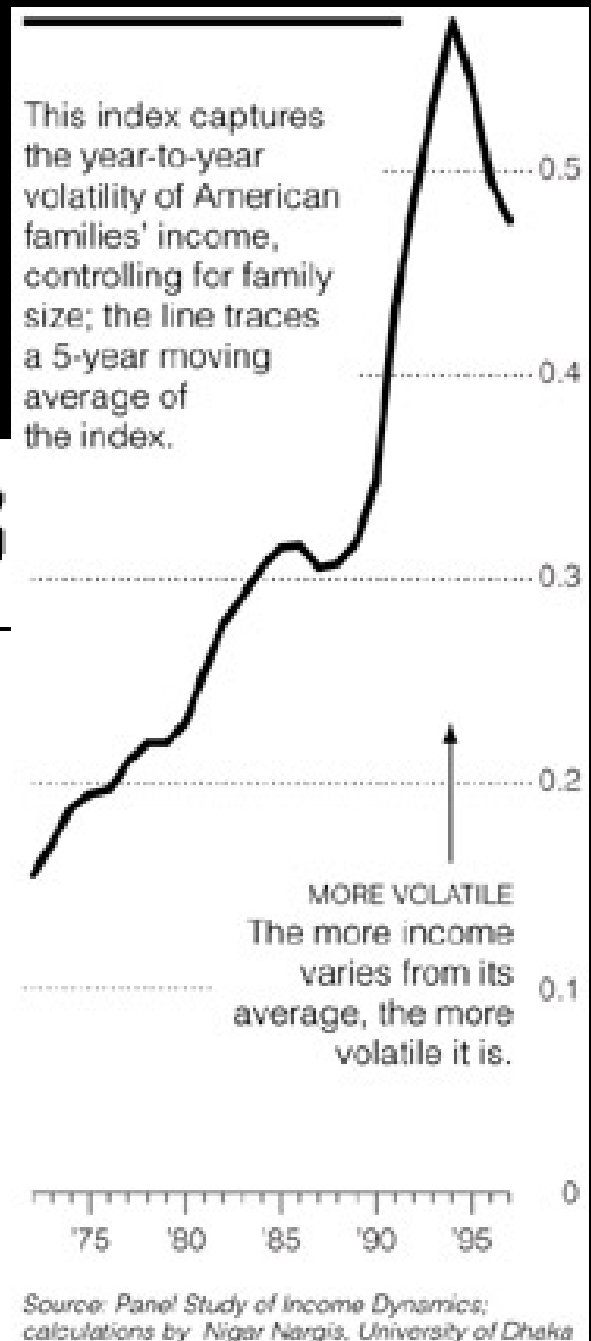
The New York Times

ON THE WEB

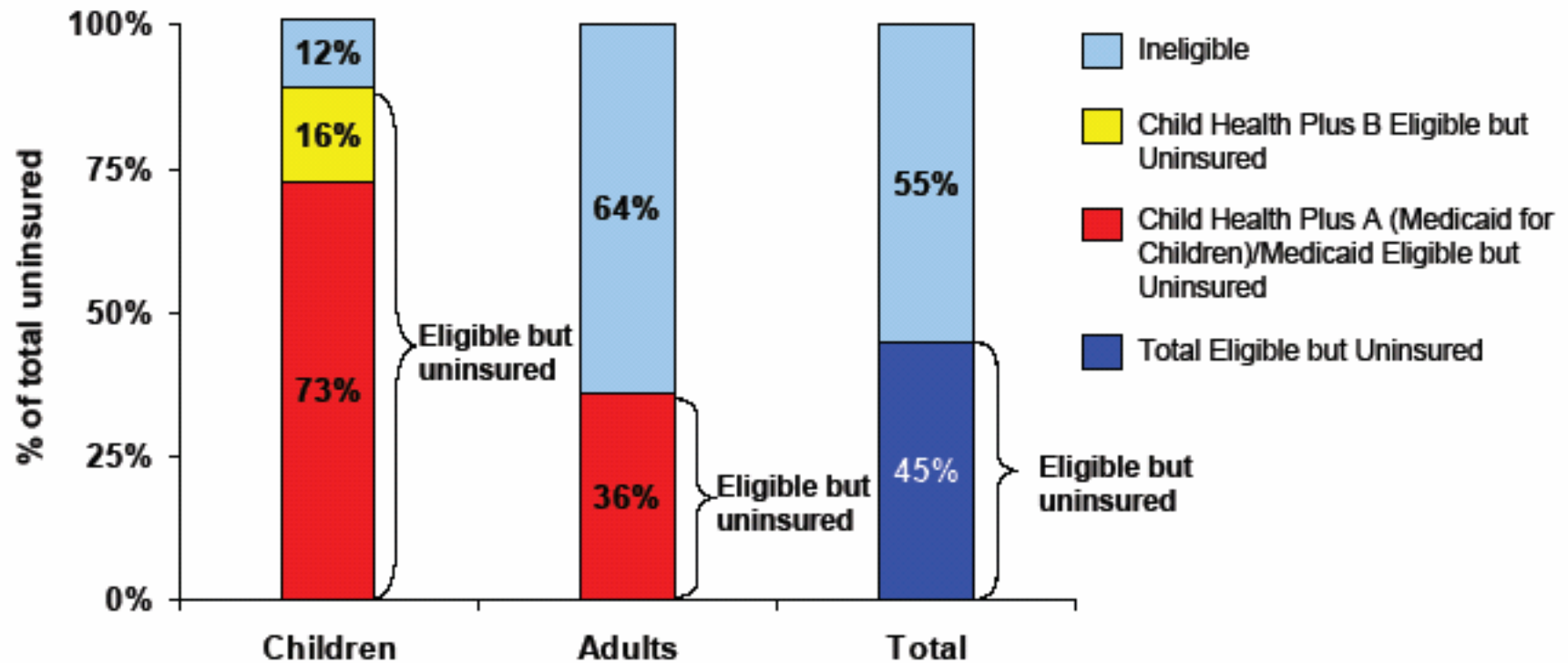
Call It the Family Risk Factor

By JACOB S. HACKER

NEW HAVEN, Conn.--On the heels of Friday's glum Labor Department report, Americans have a right to be confused. Soaring growth, stocks and consumer confidence have heartened investors. And yet, the country remains mired in a jobless recovery. The reality is that the economy has become more uncertain and anxiety-producing for most of us — not just over the past three years, but over the past 30. But by fixating on



Percent of Uninsured Children and Adults Who Are Eligible for Public Coverage, New York State, 2003

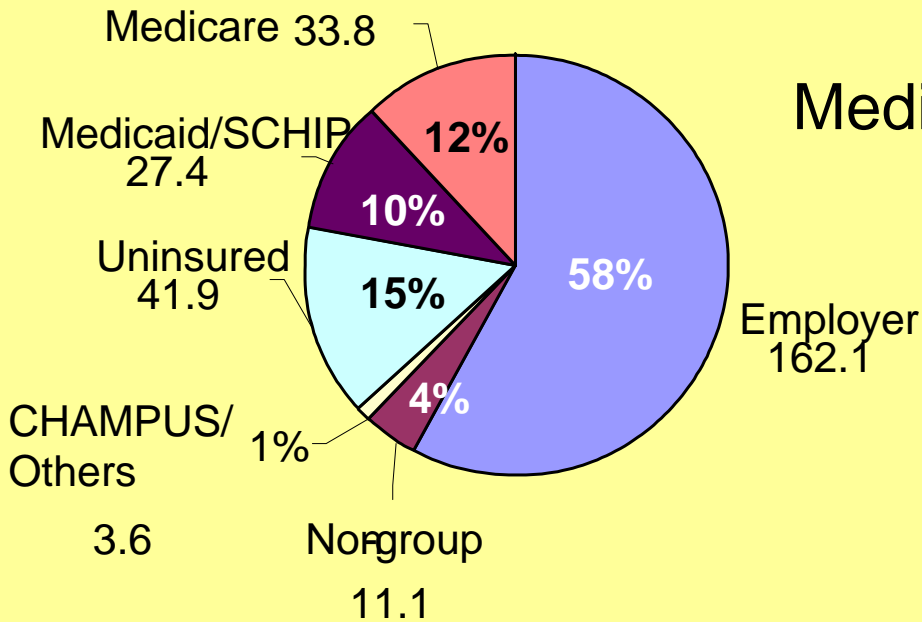


Source: Census data analyzed by the Urban Institute and reported by the United Hospital Fund, *Health Insurance Coverage in New York, 2002-2003*

Expanding Medicare : Who Will be Enrolled?

Distribution of Persons by Primary Source of Coverage
under Current Policy and under Medicare Plus Proposal in 2002
(in millions)

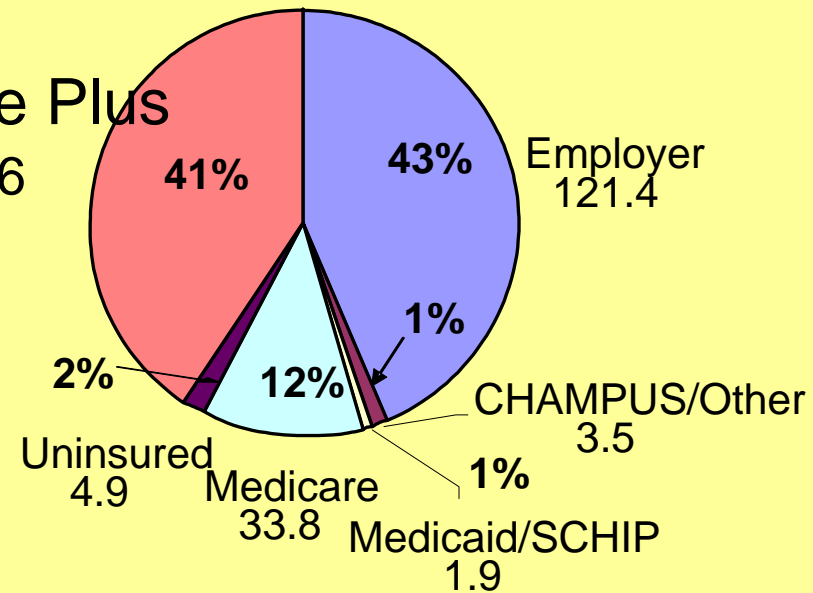
Current Policy



After Full Implementation

Medicare Plus

113.6



Comparison of Unemployment Insurance Across the Region

	<u>NJ</u>	<u>NY</u>	<u>PA</u>
# people in last 12 months who received benefits	317,602	492,810	466,878
% of unemployed who received benefits	63%	41%	53%
National rank	1	9	2
Maximum weekly benefit	\$503	\$405	\$486
% of wages replaced	35%	28%	38%
% of people who exhausted benefits	46%	40%	30%
Employers contribution per employee	\$387	\$432	\$385
Do employees make a contribution?	Yes	No	Only when fund is below threshold
Change in fund over last four years	\$3B to \$1B	\$1.2B to < \$0	\$3B to \$1.1B
Did state need to borrow recently meet obligations?	No	Yes	Yes

Source: Policy Research Institute for the Region, Princeton University, Winter 2006.

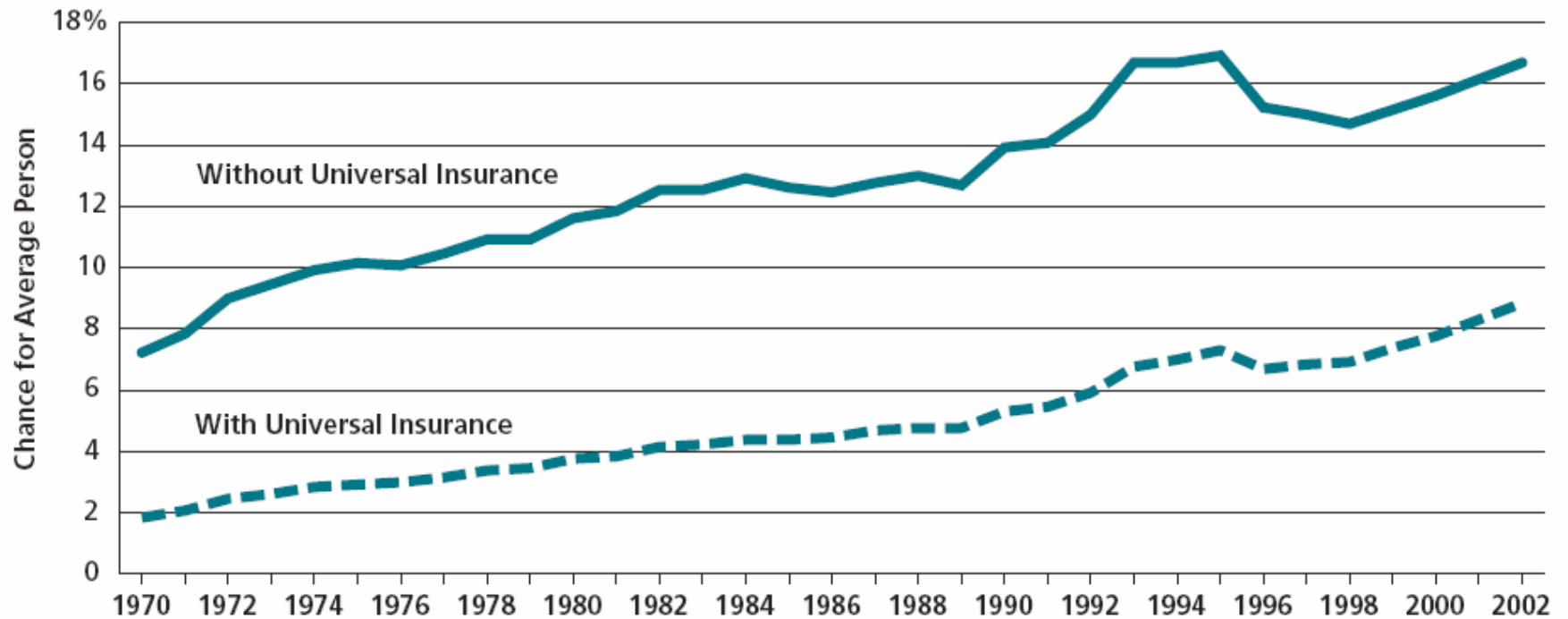


www.hamiltonproject.org

Universal Insurance:
Enhancing Economic Security
to Promote Opportunity

Jacob S. Hacker
Yale University

Predicted Probability of 50 Percent or Greater Income Drop, 1970–2002



Source: Author's calculations based on PSID; CNEF.

Note: See note to Figure 2 for additional information about the analysis.