

Voices in the Workplace:
The Economics of Working at the
University of Minnesota

Presented by
University Unions United

The Economics of Working at the University of Minnesota

In the past two years employees at the University of Minnesota have experienced rapidly rising health care costs (employees pay an increasingly larger share of insurance premiums, and higher out-of-pocket costs for doctor's visits and prescription medicine). Bargaining Unit employees' hourly wages were frozen for a year, and small pay increases in 2004 did not mitigate the additional health care increases.

In January 2005, union represented employee groups sent an economic survey to their memberships. Members of the American Federation of State, County and Municipal Employees (AFSCME) and Teamsters responded and clearly described difficult budget realities.

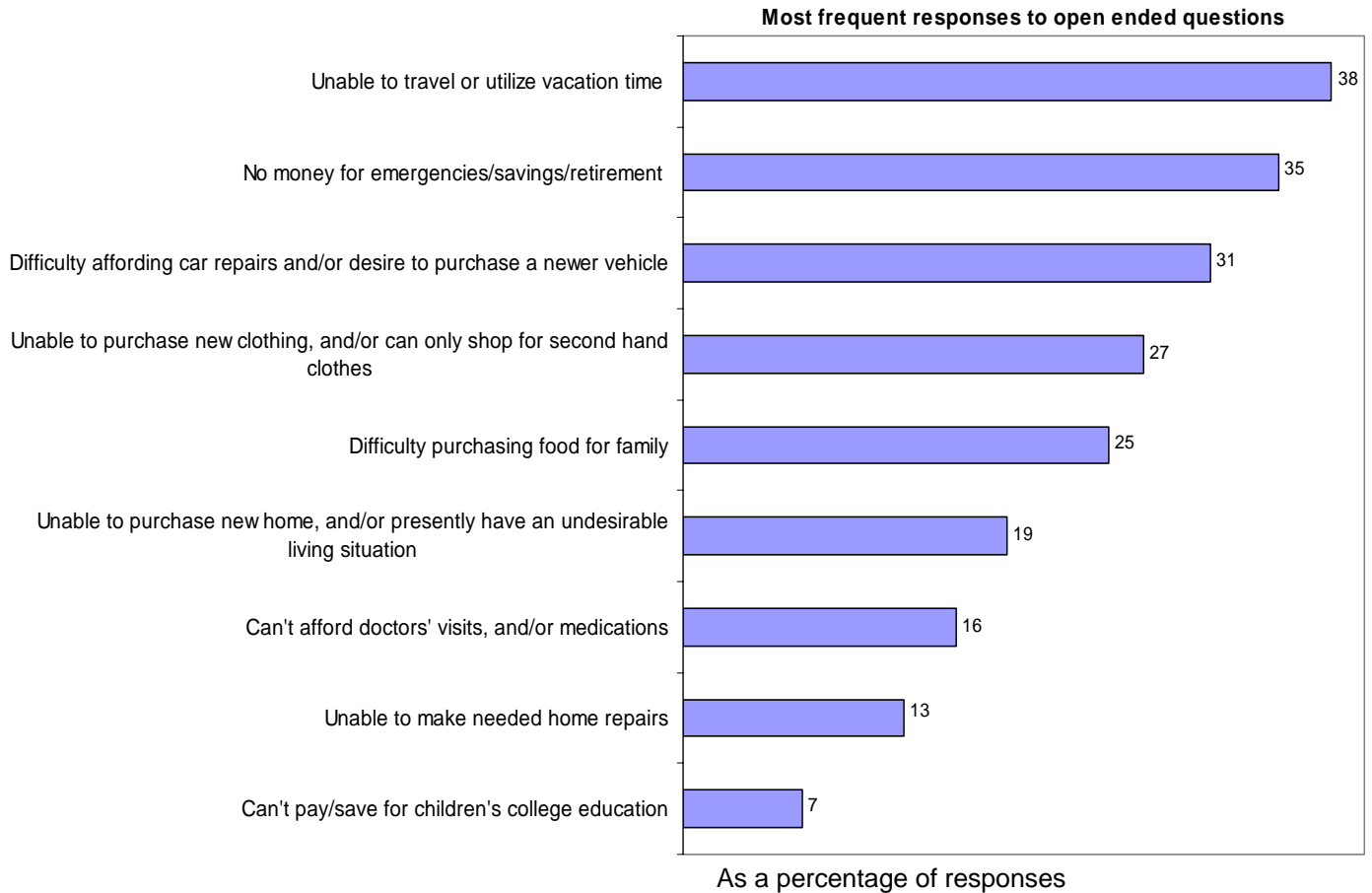
The survey asked the following four questions:

- 1) In the past five years have you had to work a second job while working at the University? If yes, why?
- 2) While working here have you needed to borrow money or use a credit card to make ends meet?
- 3) If you made a livable wage, what would you be able to do that you can't do now? (In 2003 the Jobs Now Coalition estimated that the hourly wage needed to meet monthly basic needs for a family consisting of one adult with 2 children was \$19.46)
- 4) At your present salary, what do you go without?

56% answered YES to question #1
79% answered YES to question #2

Answers to questions #3 and #4:

University Employee Hardships



AFSCME members' survey responses clearly articulate the effects of two years of shrinking paychecks on household finances. Questions three and four were open-ended, but the answers hit on many common themes. The following pages contain excerpts:

Access to Health Care

- I want the ability to get health care from providers who aren't covered by my insurance (alternative medicine). I have to pay out of pocket for some kinds of care, and I have to pick them infrequently-sometimes when an injury or illness has progressed to the point where I can't ignore it any longer.
- I would like to join a weight loss program, but can't afford that either.
- I don't go to see the doctor because I can't afford to pay for the medicine. I use home remedies.
- I can't afford the food and supplies I need to control my Type II diabetes.
- I constantly have to make up for higher health insurance and higher costs since the University has consumed virtually all of the last 2-3 pay steps.
- Can't afford preventive medicinal care for me and my child. Can't have dental insurance for family coverage with the increase in health insurance.
- I limit my doctor's visits and split medication I have to take in half to save money. I only wish the University was as frugal with money as I am.
- My glasses are an outdated prescription.
- I pay \$150 per month for prescriptions. The increases in health care costs, college costs, fuel oil and gas, taxes, insurance costs and other cost of living expenses without the corresponding increase in income limit my ability to provide for my family.
- I would get corrective vision surgery-which isn't covered by health insurance, and which would take two months of my current salary. I live in fear of getting a debilitating illness, because I couldn't afford it-given the co-pays, possibility of lost time, and living paycheck to paycheck.
- I started working here almost two years ago. Since I've started, my paychecks have gotten smaller and smaller. I've had to change insurance, so I can't see the same doctor I've been seeing for many years.
- I've gotten into extreme credit card debt due to medical co-pays. It's gotten to the point where I charge groceries.
- Basically, I go without any activity for personal growth and physical fitness that requires a fee.

Access to Health Care

- I need to get some dental work done. I haven't been able to get enough money together to have the procedures completed. This has been really frustrating. I can't even catch up enough to get my teeth fixed.
- We sometimes won't see a doctor when we should because we don't want to spend the co-pay.
- This year I set a flexible spending account for health care to take care of my dental problems which cost me a couple of thousand dollars. Now my paycheck is about \$500. To meet my living expense I have to work weekends in a department store.
- I go without a special bed for a back problem, and I can't afford to get my wisdom teeth removed at the present time.
- If I made a livable wage I'd have a healthier lifestyle like going to the gym. Right now I can only afford to pay rent, bills and basic food and health care costs.
- The problem is when we get a little 2 or 3% increase the University of Minnesota makes sure it gets some back-parking goes up, benefits go up, and we get less.
- With the changes in medical insurance cost, I admit that I do not go to the doctor for my chronic health conditions as often as I should, and that occasionally I have to wait a few days to get my medications refilled.
- I was told by the dentist that I need three crowns, and I am not able to pay the co-pay right now.
- Not able to purchase the medications that we need.
- I go without diapers sometimes, nutritious foods, prescription medicine, prescription glasses, etc.
- Health care increases (premiums, prescription co-pays, out of pocket maximum) have decimated my budget.
- Some days the choice is honestly between food, drugs or gas to get to work to earn more money.
- I refuse to schedule a doctor's visit until I absolutely have no other choice. I purchase prescriptions after they run out instead of just before.

Access to Health Care

- I myself have not purchased glasses for the last couple of years. Also, being a diabetic, I can no longer get the supplies every month like I used to. I only get what I absolutely have to have. Even with insurance, we had \$6,000 plus out of pocket expenses for medical last year.
- I go without nutritious foods, prescriptive medicine, clothing, reading glasses and reliable transportation.
- I would buy clementines in the crate. I would be able to afford new glasses. I would take my medicine every day instead of every other day.
- I am in poor health and have had to stop taking my meds for extremely high blood pressure. My systolic has been over 300 at times.
- It looks like I will have to devote even more time to my additional jobs now since the new health insurance rates took effect. I now bring home less than I did in 2002.
- I have \$125 monthly prescriptions from myself and four kids.
- I've had to not renew my prescriptions (four of them), as the co-pays went way up and premiums.
- I would buy a pair of optical eyeglasses. This is my first major employer I have worked at that does not have a vision service plan. My glasses are about ten years old.
- I can't see the doctor when I'm not feeling well because I just can't afford the co-pays.
- The new health care deductions have put a big dent in the already stressed home budget.
- I go without co-payment dental work and new prescription eyeglasses.
- I go without health care, including psychological services, where I can choose my provider. Those that can afford the higher premiums can afford better coverage. I go without dental care. I go without medications because the co-pays are too high. I go without new glasses-the prescription on my current glasses is out of date. Therefore, I also go without seeing properly, but I do get the benefit of headaches. I go without being able to take exercise classes that would enhance my health. I go without physical therapy for my knees, even though it has been prescribed by a doctor, because the co-pays are too high.

Access to Health Care

- As health care keeps going up and wages stay the same, my ability to make money stretch is less and less effective-the cost of everything is going up.
- I can't afford to go to the dentist.
- I go to the doctor only when absolutely necessary-co-pays too high.
- I go without medicines.
- Good people will continue to leave as they keep chipping away at the benefits, which by the way, is why most of the people I know were here in the first place.
- I go without doctors' visits.
- Six months ago I was promoted-brought me to \$19.21 an hour, an increase of \$70.40 per paycheck. Today, my salary increase has been completely negated by the health insurance costs of \$71.61 per paycheck.
- As a single mother, with ever increasing medical co-pays and premiums, and a son attending a University of Minnesota institution (with many tuition increases), I need a second income to meet my financial obligations.
- I only use the minimum maintenance medications for asthma and allergies because the co-pays were hard last year. They're 50% higher this year. This has meant I've had more infections. Also, because of the change in medications, I've had to alter my lifestyle during the summer to avoid stressing my system. I cannot afford private gym fees, and do not live in a metro area where I could possibly use the U facilities or MERSC discounts for private gyms. My weight is up as a result.
- I dropped my insurance so I only go to the doctor if I absolutely have to.
- I would get health insurance for my son.
- I go without several dental procedures. Even with dental insurance co-pays are high for the work I need to have done.
- I don't get all my meds on time.
- Even with our good health insurance I do not take all the medications I'm supposed to, and I do not see the doctor as often as I should because of the expense.

Access to Health Care

- I go without disability insurance, optional retirement program, or any type of additional savings, or health care preventive services (health club).
- With my prescription co-pays for monthly meds adding up to about \$80-\$100 per month I now “rob Peter to pay Paul”.
- I can’t save for the future since the increase in insurance cuts into wage taken home.
- My husband has needed new glasses for the past three years. My daughter needed them this year so he has to wait another year.
- After working at the University 27 years, the U has single workers pay some of their insurance. I dropped out of the insurance plan. My husband’s retirement union plan pays all of the costs for both of us.
- I really miss the comfort of knowing that my necessary expenses will be covered. That uncertainty of living behind the eight ball seriously erodes my mental and physical health.

Food Shortages

- If I buy groceries, I go without entertainment, drugs, movies, clothes etc.
- If I made a livable wage maybe I’d save for a vacation, actually afford to go somewhere, buy more groceries.
- I go without food sometimes if I run out of money before payday.
- I have a second job to be able to afford groceries.
- I have to go to the food shelf.
- Sometimes go without groceries, pay bills late. I’d like to not buy groceries on a credit card-keep building up debt.
- We buy all our clothing at second hand stores, buy bread at thrift stores. We don’t have any savings, nor do we have any extra money for family vacations, pet vaccinations or car repairs.
- If I made a livable wage I could buy more food and clothes for my children.
- I go to the food shelf once a month. I’m thankful my kids are grown and I don’t have to buy for them.

Food Shortages

- We have to do Wal-Mart runs on Tuesday nights for cheaper groceries.
- I work a second job to do the things I can't do otherwise, such as vacations, buying groceries beyond the generic brands, and enjoying the arts and entertainment.
- If I made a livable wage I would have extra income for groceries and a vacation.
- I'd like to not need roommates to be able to make my mortgage payments and still eat.
- I go without eating more nutritionally and healthy
- We don't get much protein at meals-too expensive.
- I wish I could pay for groceries and bills with cash instead of credit cards.
- I teach nutrition and I can't even buy the foods from the food guide pyramid that the government tells us we should eat daily (fruits and vegetables are in my diet once a week and should be daily).
- Can't remember the last time I went to the grocery store and bought foods that I wanted versus foods that would fill me up (noodles, rice etc.).
- I would buy more nutrient-dense foods.
- I've worked at the University for twelve years and it's a shame the situation I'm in having to take my vacation time to be able to go to work more hours at my second job, and go to the food shelf for food.
- I go without living in a manner that supports my beliefs. For example, I'd like to be able to buy more products that are organic or made by small farms and businesses in my community. Unfortunately, these higher quality products cost more. Therefore, I am stuck undermining myself because I can only afford to shop at the places that deal in cheap, low quality products at large volumes.
- I go without food, clothes and vacations-haven't had one for six or more years.
- If I made a livable wage I'd buy good food more often.
- We have drained our savings account in the past two years. We are still struggling to keep ahead of heating costs and to buy groceries and clothes for two growing boys.

Food Shortages

- It's during the winter months that I mostly rely on my credit card for groceries-heating bill is high.
- I try to make healthy food choices, but end up compromising that sometimes.
- Sometimes I go without enough food.
- I am a recently single mother of two. I can hardly afford to feed my kids and pay all of my normal bills.
- Due to high increases in living expenses (but freeze in my wage), my family has to cut down the spending on food, clothes etc. by either finding cheaper alternatives/substitutes, or not buying at all.
- I'd like to eat healthier foods-which is more expensive.
- I would be able to take a real vacation, eat proper foods, and move out of my mom's place.
- If I made a livable wage I would be able to eat healthier foods, and enjoy life a little more.
- I'd like to buy more healthy foods rather than what is on sale.
- I go without travel, better housing, eat better, quality of life.
- I would buy better cuts of meat.
- I would like to have the choice to buy environmentally friendly products (organic foods, etc.)
- With the increases in the cost of living, increased cost of health coverage for my family, and lack of pay increases, I am going backwards in my ability to provide for my family. It is necessary for me to utilize programs such as free school lunches and energy assistance to make it financially.
- I want to shop at Whole Foods rather than Cub Foods.
- I am currently on the WIC program.
- We don't get enough healthy foods. We eat a lot of starchy foods that are less expensive than fresh fruits and vegetables.
- I have borrowed money, and hit the food shelf.

Food Shortages

- I would love to be able to buy things at the grocery store that we want rather than letting the store determine our menus based on the specials that week.
- Have to go without nutritious foods because right now my family and I just eat whatever we can find, such as can foods and ramen noodles. Cheap stuff.
- With three active teenagers in the house there are always extra expenses. One is a high school senior so there are many end of the year expenses for her. She will soon be starting college and there are no funds set aside for her expenses when she is away from home. My second job is part time, and I use it to fill in the gaps to purchase groceries, put gas in the car, and personal care products for my family.
- Not enough to eat, and can't buy new clothes.
- If I made a livable wage I probably would be able to buy groceries and not have to use the food shelves as much, and pay for medications.
- I go without everything that is not a necessity, new clothes for myself or my daughter, sometimes food, any extras.
- I go without lunch.
- If I made a livable wage I could afford such luxuries as paying my bills and rent on time every month, buying sufficient food, be able to go out for dinner or to a concert occasionally. My take home pay has gone down in the past two years, but all my expenses have gone way up.
- I eat generic brands from the grocery store. I often stay home on the weekends in order to conserve funds for bills or emergency procedures.
- Very limited on the type of foods we can buy. We don't go out to eat at all.
- There are times when we run out of milk up to a week before payday, and I can't afford to buy more. My son would like to play sports that I can't afford. I've had to borrow money to buy groceries and fill my gas tank.
- My basic needs of food and shelter is met and I have extra for other things. But, I have made it a practice to buy second hand clothing, not buy certain groceries that simply cost too much (unfortunately, fruits and vegetables sometimes fall into this category), and I drive a car that gets good mileage.

Household Deficits

- When the car makes funny sounds we can't afford to get it checked out. Not until something goes very wrong. Sometimes it's hard to just afford a tune up.
- Although I live like a pioneer, I still have to depend on loans and credit card to make it to payday. Then I start all over again, trying to be thrifty, yet never able to make it to payday.
- I never spend even \$1 on myself. I make sure my children are able to attend preschool, have clothes and a roof over their heads (not to mention daycare at \$1500 a month).
- I don't have a second job. It would help, but I am just unable to give up my time with my son. I guess you have to make sacrifices - I struggle financially, but spend time with family.
- My daughter needs additional help with school that the school does not provide. I would like to have her get the tutoring or attend a learning center.
- Because I work a second job, I often go several weeks without any time off.
- I would like to live with at least an emergency savings of 1-2 paychecks. Currently I can not save this much. This causes me a lot of stress, because if ONE paycheck were to come late or incorrect I cannot pay my rent or utility bills.
- My attempts to keep up with middle class values are insupportable on a University wage. I want to help out my kids and grandkids like my folks helped me.
- If I made a livable wage I would be able to afford food every payday. I would be able to pay for gas to get myself to work. I would be able to pay rent all at once. I would be able to buy clothes that I desperately need for my job. I would be able to buy a winter coat instead of asking my friends if they have an extra one. I would be able to consistently pay the energy bill every month instead of always trying to catch up and not pay until a disconnection notice comes. I would be able to afford a phone which I currently do not have.
- My kids could try extracurricular activities in academics and sports.
- I would be able to pay on time and not have to decide which bills could wait for two or four more weeks for payment.
- I never eat out except for a birthday or special occasion. Never go on vacation, and I can't help my children who are out on their own.

Household Deficits

- I could no longer afford the medication that my golden retriever needed, and had her put down.
- I'd be able to stop borrowing money in order to come to work and eat lunch on a regular basis, and stop the use of credit cards.
- Right now I have no hope of owning my own home as a single person.
- I never had to use credit cards in the past, but since the wage freeze this last contract I have had to use them to cover the cost of gas and clothing purchases for my children. Unfortunately, I have not been able to pay them off in full each month. It has been a very difficult step to take.
- It's tough living on the edge of qualifying for the low income program in which you work (Nutrition Education Program).
- I am not really complaining as I know that there are people in worse shape than I am, but there is more to life than just existing to make ends meet. Life is short and should have some fun attached.
- We don't travel at all. Don't eat at restaurants. We go to three concerts a year. Don't remodel the house. Only give gifts at Christmas. Would like to work less in order to have more time with my husband.
- I feel it is a crime that people who do the grunt work can barely survive day to day, and yet management still gets their bonuses, etc. We are constantly being asked to make sacrifices. Where are theirs?
- We go without food, and cannot go to the doctor. Holidays aren't what they used to be. Birthdays, put it this way-on Jan. 4th I couldn't afford to buy the cake or ice cream so the baby who just turned 13 will have to wait.
- Saving for retirement is a big issue for me as I am 53. I cannot save what is the recommend amount, particularly with the pay cuts that have occurred because of the wage freeze and increases in health insurance, parking and state withholding.
- Right now I keep making less money per year, instead of more.
- I feel stressed trying to meet just basic needs, especially with two kids and daycare. I've been here two years, and there's no longer an incentive to stay.
- I would like to send my son to college, get health insurance for my son, and replace a thirty year old refrigerator.

Household Deficits

- All these problems many people in the world would actually love to have because they are so poor. But at the same time, I don't live in those parts of the world, and feel sad and disillusioned that the world I live in values certain members of society so little.

- If I made a livable wage I could stay on top of my monthly bills instead of constantly picking out the most important ones each month, and pushing the others back months. Monthly bills increase in the winter. Right now I live from paycheck to paycheck-when cash flow is low I have to sell items I have. If I had a livable wage I could maybe quit my second part-time job.

- I used to be able to buy my children socks whenever they needed them. Now I have to save to buy even those-how sad is that?

- Maybe we could afford to have children.

- I could be getting paid twice this wage in the private sector. The University is going to lose out on a great employee. If you insist on paying temp wages you are going to get a temp workforce.

- If I made a livable wage I would get my roof fixed. I have shingles that are blowing off. I need new windows. The ones I have now are in disrepair and are rotting sills. The electrical system I have is still the 1930's style with the cloth wrapped wires and fuse boxes.

- I am currently working a second job. The University paycheck pays for rent and food, but it is nice to be able to buy clothing and other unnecessary things every once in awhile. Like going to a movie or purchasing a book.

- I go without recreation for the most part; sometimes food for my home, clothes etc. I Can't pay off credit cards.

- My oldest brother died this summer and I could not afford to go out of state to his funeral.

- I go without respect. The fact that I have had about 80 cents worth of raises in three years is pathetic.

- If I made a livable wage I could begin to repay the generosity of my friends, visit my family more often, not feel like a failure for working hard and still not having anything left at the end of the pay period.

Household Deficits

- Live on a tight budget and never buy any extras of anything. I live very conservatively.
- I think clerical/administrative people should certainly be paid more than most of us are. People freak out when their admin. person is out sick! My boss can take off for a week and no one even notices. If I go on vacation, I come back to a pile of questions no one else knows the answer to, the copier is jammed, and people saying, “thank God you are back-we need you”. We are essential employees and should be paid fairly.
- I have never in my life gone on a trip for vacation. I cannot afford new work clothes or furniture that is not hand-me-down. I cannot afford to buy food that is not absolutely necessary. Extracurricular activities are limited. I love to run but can’t afford new running shoes. The heat in my apartment must be kept low. I cannot afford to park my car near the University, so I must bus an hour and a half each way every day.
- I want to give more to organizations that I have given to in the past that I cannot give to any longer.
- My dog is on the blood donor program so I can save money on food and vet care.
- Save money! That is my main concern-not being able to save for my family’s future, and that is what scares me the most.
- I go without a working vehicle, life insurance, retirement fund, and a college fund for my daughter.
- I can’t save and have extra money to enjoy a few perks and luxuries we all want in life.
- Limited snacks for children, limited activity outside the home over the weekend.
- This winter the main part of the house (including bed and bathrooms) is unheated. We heat the kitchen and family room to sixty degrees.
- I’ve had to borrow large amounts of money from friends and family in order to keep up with my mortgage note or monthly bills. This way of living has cost me friendships and family. They don’t even talk to me anymore. I go without everything. The only thing that I have left is God’s Grace.
- When I moved to Minneapolis a year and a half ago, I was determined to work at the University because I wanted to be part of academic life, and I wanted to be part of a union. I am still motivated by these factors, which really is why I’m still here. But, I’m not happy with my economic situation. I know I could be making more money to do the same things in a different setting. Benefits are some compensation, but considering how those of us in the union keep the University running, I hope we can be supported through a more competitive pay scale.

University Unions United is a cooperative effort of Teamster and AFSCME members working at the University of Minnesota. All University bargaining unit employees are invited to attend University Unions United meetings. Check the AFSCME websites listed below for information about the next triple U meeting.

For additional copies of this report or more information about the economics of working at the University of Minnesota please visit the websites of AFSCME 3800 and 3937:

www.afscme3800.org

www.afscme3937.org

The Jobs Now Coalition provided information about livable wages in Minnesota. Please visit their website at:

www.jobsnowcoalition.org

University Unions United:

AFSCME Local 3260

AFSCME Local 3800

AFSCME Local 3801

AFSCME Local 3937

Teamster Local 320