

IN THE NEWS

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LSU's new chancellor reports to work today
Associated Press | 08.04.08

BATON ROUGE, La. (AP) - Michael Martin takes over as chancellor of Louisiana State University in Baton Rouge today.

Martin succeeds Sean O'Keefe, who announced his resignation in January under pressure from LSU System President John Lombardi and the system Board of Supervisors.

Rusty Jabour, vice chancellor of the main campus, said Martin's arrival will be low key, though he will appear publicly at least once during his first day.

Martin comes to LSU after four years as president of New Mexico State University.

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ER expansion on hold

The Daily Advertiser | 08.03.08

Plans for an expansion of UMC's emergency room is at a standstill unless more money is attached to the project.

The project was put on hold earlier this year by the Division of Administration's Facilities Planning and Control office when additional funding couldn't be secured for the project.

The expansion of the 10-bed, 5,000 square feet emergency room is a critical need for the hospital, which estimates some 42,000 patients visit its emergency department each year.

UMC requested the project more than six years ago, but it wasn't until last fall that the state bond commission approved \$2.1 million to get the work started.

But while the square footage of the project has grown, money attached to the project hasn't.

The project was first proposed as an 8,000 square feet expansion estimated to cost \$2 million and doubled to 19,000 square feet with an estimated price tag of \$7.9 million, according to Michael DiResto, communications director for the Division of Administration.

"That's the basis for the funding shortfall," DiResto said.

Last October, the state bond commission approved \$2.1 million for the project. At the time, the project was announced as a 16,000 square foot project estimated at \$3.9 million.

UMC administrator, Larry Dorsey will meet soon with Sen. Mike Michot to discuss funding options.

The hospital does have \$1.3 million in capital outlay budget for a new maintenance building and repairs Dorsey said he asked the state to delete from the bill. Dorsey has requested that the state funnel the \$1.3 million into the ER project.

"The maintenance building was a request I made about 10 years ago. We have been able to meet our need another way since we weren't getting anywhere with the capital outlay process," Dorsey stated in an e-mail.

It's possible the project could be considered for funding during the expected special session early next year on the surplus, Michot said.

"The plan is we're going to put a chunk of the surplus into capital outlay," Michot said. "This could potentially be one of the projects that could be funded. ... It's not out. Nothing happened to advance it this session. But there are several projects that are in the same predicament, like the Cecil Picard Center" for Child Development at UL.

Currently, the UMC project has \$2 million, but only \$340,000 of that is a cash line of credit - or Priority 1 funding, DiResto said.

In January, hospital staff began meeting with Barras Mueschke Architects, the firm assigned to the project, but the planning didn't go beyond discussion before the state halted the project.

The expansion will add 30 more beds to the 10-bed acute unit and improve patient flow in the department, which is currently fragmented into two sections - an acute unit and another that handles noncritical emergencies.

<http://www.theadvertiser.com/apps/pbcs.dll/article?AID=2008808030337>

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EDITORIAL: Another shot in Congress
Times – Picayune | 08.02.08

Louisiana has critical recovery needs that weren't addressed in the emergency spending bill that Congress adopted in June. But Senate Democrats are reviving them in a new economic stimulus and disaster relief package.

The \$24 billion package provides \$3 billion for Louisiana, including a far more reasonable payment schedule for the state's share of levee upgrades: 30 years to pay more than \$1.7 billion instead of just three years.

Louisiana shouldn't be expected to meet the more demanding deadline when it is still struggling to overcome the damage caused by two hurricanes and the failure of the federally built levee system. It's a relief that Senate Democrats are revisiting this very critical recovery issue.

The legislation also provides \$350 million to help Louisiana and Mississippi hospitals dealing with post-storm demands and \$75 million to fight crime and rebuild the criminal justice system.

Healthcare and police and fire protection are basic needs for any community, and they belong in this package.

House Speaker Nancy Pelosi stressed that the bill needs support from Republicans and the White House. But legislation that's aimed at disaster assistance must not leave out the Gulf Coast.

We're still living with the aftermath of disaster, and it's encouraging to see that Congress hasn't forgotten that.

<http://www.nola.com/news/t-p/editorials/index.ssf?/base//news-5/1217654415265220.xml&coll=1>

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Tropical Storm Edouard aims for Texas, La. coast

Associated Press | 08.04.08

By JANET McCONNAUGHEY

NEW ORLEANS (AP) -- Tropical Storm Edouard took aim at the coasts of Texas and Louisiana on Monday, threatening to pick up strength from warm Gulf waters and gain near-hurricane speeds over the next 24 hours.

Emergency teams were activated as Gulf residents prepared for a second strong storm in less than a month, although Edouard is forecast to hit a different stretch of the Texas coast or Louisiana than Hurricane Dolly did last month.

Some of the Gulf's offshore oil and natural gas drilling platforms sit in the storm's path. But Edouard is not likely to disrupt production, according to one financial firm that specializes in the energy industry.

"He'll just be (a) little tropical storm tike compared to big mamma's that rip things up and spike gas prices," the Houston-based securities firm Tudor Pickering Holt & Co. said in a note to investors Monday.

Shell Oil Co. said Monday morning it had begun evacuating about 40 workers from some of its operations in the western Gulf. The company said no further evacuations were planned based on the current forecast and that it expected no impact on production.

ExxonMobil Corp. had not evacuated any workers or cut production by Sunday evening, but the company was preparing its platforms for heavy wind and rain and considering whether to evacuate some workers, spokeswoman Margaret Ross said in an e-mail statement.

Rudy Guidry of Grand Isle, on the Louisiana coast south of New Orleans, was on his father's houseboat Monday morning making it a bit more secure than usual. "We're on the water right now. Just putting on extra lines in case it comes up," he said.

Edouard was expected to make landfall somewhere in Texas or southwest Louisiana on Tuesday morning. It was moving west near 8 mph, and forecasters said the warm waters of the Gulf provided the right conditions for the storm to intensify and approach hurricane strength with winds of 75 mph or more.

A tropical storm warning was in effect from the mouth of the Mississippi River westward to Port O'Connor in Texas. A hurricane watch was in effect from west of Intracoastal City, La. to Port O'Connor.

At 11 a.m. EDT, Edouard had maximum sustained winds near 45 mph, with higher gusts. The storm's center was located about 160 miles south-southeast of Lafayette, La., and 265 miles east-southeast of Galveston, Texas.

Edouard was expected to turn toward the west-northwest later Monday, which would bring the center near the coast on either side of the Texas-Louisiana border by Tuesday morning.

Connie Porter, owner of Avenue O Bed and Breakfast in Galveston, said she planned to watch the progression of the storm on Monday, but she wasn't worried about it. She said a storm like the one being described might mean some debris and that people should take care of patio furniture, but she didn't anticipate much more.

"It's not going to be a huge issue for anybody in this area," Porter said.

Krista Piferrer, a spokeswoman for Texas Gov. Rick Perry, said Sunday that state emergency management officials were getting updates through conference calls with the National Weather Service.

Texas began activating a number of emergency teams Sunday afternoon, including calling up 1,200 Texas military forces and six UH-60 helicopters, the State Operations Center said. The Texas Forest Service and the Texas Engineering and Extension Service activated response teams.

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Isolated tornadoes were possible over parts of southern Louisiana and the upper Texas coast later Monday, according to the hurricane center. Rainfall of 3 to 5 inches was expected in coastal Louisiana and southeast Texas, with isolated amounts up to 10 inches in Texas. Tides of 2 to 4 feet above normal levels were expected in parts of the warning area.

In Louisiana's Cameron Parish, Clifton Hebert of the emergency preparedness office said they are monitoring Edouard on a 24-hour basis and will be sending regular releases to the public.

"Right now, we want residents in travel trailers to have a more permanent residence to go to if necessary," Hebert said.

http://hosted.ap.org/dynamic/stories/T/TROPICAL_WEATHER?SITE=LABAT&SECTION=HOME&TEMPLATE=DEFAULT&CTIME=2008-08-04-00-53-36

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Elderly, disabled aid costs soaring **The Advocate | 08.03.08**

Louisiana is spending more than \$250 million annually providing community care options to the state's elderly and disabled — a far cry from the \$9 million allotted in 2000.

About 5,428 people are getting the care that keeps them out of nursing homes and other institutions. At the beginning of the decade, 1,300 were getting state-funded services.

The developments are the result of what is known as the Barthelemy case, a federal civil rights action.

The lawsuit is named for its lead plaintiff Lee Barthelemy, who, on the part of himself and others, accused the state of violating the constitutional rights of the elderly and disabled by not allowing them to live in the least-restrictive environment possible.

Louisiana entered into a settlement agreement in 2001, which outlined steps the state would take in providing more community and home-based care options.

Today, the case is still active because goals in the settlement have not yet been reached.

In addition, problems — such as average cost of an individual's care are too expensive and the waiting lists are too long — have developed

Lawyers for the state Department of Health and Hospitals and The Advocacy Center, which filed the class-action lawsuit, are back in court trying to win approval of a new agreement that would end the case by Dec. 31, 2009.

The proposed agreement would reduce the number of hours personal-care attendants and other aides can help people in their homes and limit services based on the needs of individuals. The hope is to bring costs in line with federal standards while reducing a 9,063-person waiting list for Elderly and Disabled Adult Program services.

The U.S. District Court in New Orleans set a Sept. 17 hearing.

"Like anything else you change, there are some winners and some losers in the new agreement," said Hugh Eley, assistant secretary of DHH's Office of Aging and Adult Services.

"It might result in quite a cut for some individuals," said Advocacy Center lawyer Nell Hahn, who represented Barthelemy.

State officials would negotiate with people directly to minimize the impact.

"We respect that these cuts have to come," Hahn said.

To the extent there are savings because of individual service cutbacks, dollars would be plowed back into the program to provide services to more people on waiting lists, Hahn said.

Services include daily living activities, such as bathing and dressing, as well as "companion care" such as a health-care provider supervising someone with dementia. The program also provides for help in remodeling projects to make homes more accessible and safe for the handicapped and elderly.

To be eligible, people have to be age 21 or older with disabilities that would meet nursing home-resident criteria both medically and financially. Two-thirds of the individuals receiving services are over the age of 65.

Under federal rules, the combined Medicaid-funded cost of community services cannot exceed those of nursing home or other institutional care. The most recent statistics put the per-person cost on the nursing home side at \$29,673 a year, while community services are running \$33,708 a year.

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The federal Centers for Medicare and Medicaid Services warned state officials about the trend of rising costs, Eley said.

“If they do a corrective action plan, it could be much worse than what we are proposing to do,” Eley said.

The amended settlement agreement seeks to fix the problem and serve more people in the process, Eley said.

Under the proposal, the maximum number of hours of community care a person may receive would be reduced from 54 to 42 hours of service a week. In addition, caps would be placed on services based on the “acuity level” or needs of the person receiving assistance.

The original agreement required the state to get the waiting list for services down to 90 days.

“The list of people wanting these services just kept growing,” Hahn said. “There continued to be thousands on the waiting list. They couldn’t get it down to 90 days.”

“It’s probably not realistic to think you are not going to have some kind of waiting list,” Eley said.

Eley and Hahn agree that at the rate the average cost is rising, the waiting list would not improve.

Hahn said the plaintiffs are willing to go along with the amended settlement agreement — being realistic about the need to stay within federal guidelines and hoping that more people will get services.

Another part of the settlement agreement requires the state to file reports tracking the number of people who end up going into nursing homes because they cannot get sufficient home services.

“We will be watching that carefully,” Hahn said.

<http://www.theadvocate.com/news/26214534.html>

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Touro CEO attempts to stop bleeding **New Orleans CityBusiness | 08.04.08** by Richard A. Webster

Touro Infirmary interim CEO Michael Sniffen handed out business cards at a recent meeting that noticeably did not include the word “interim.”

It wasn't by choice, he said.

“The board chairman came into my office one day, looked at my card with the interim title and told me to get rid of those and get new cards. I think they're trying to seduce me into staying,” Sniffen joked.

Sniffen's job title has not changed. Touro brought him on April 28 on an interim basis after the departure of CEO Les Hirsch, and he expects to head back to his home in New Jersey shortly after the start of the year.

But Sniffen's role is more than acting as a place keeper until a new CEO is chosen. Sniffen's job is to get the Touro house in order — put it on more stable financial footing and help develop a strategy to ensure its survival in the difficult post-Katrina environment.

When the administration feels confident these goals have been accomplished, then it will be time for a new CEO to step in. But until then, Sniffen will not be referred to as the interim CEO because, as he put it, no one really takes interims seriously.

“When they first offered me the job they wanted me here for four months, but I told them I didn't want to be a caretaker,” Sniffen said. “There are major problems to address and I wanted the responsibility to help solve them and you can't do that in the rush of four months.”

Sniffen runs the Manchester Group, a health care consultant and interim management company in Murray Hill, N.J. His job is to step in on a temporary basis and help turn around troubled medical facilities. But he had never experienced anything like what he faces in New Orleans.

“I was told that it was an atypical situation, but personally I tend to be drawn to atypical situations,” Sniffen said. “Maybe it's my Jesuit background. They tend to impress it upon you that you should do something atypical in your life to give back to the community.”

Upon first surveying the New Orleans health care system, Sniffen didn't hold any punches.

“Health care in New Orleans is in a state of crisis. Mental health is paramount and then you have the whole Charity hospital situation. It's sad because the people in these communities are not being properly served and organizations like Touro and the other hospitals all are challenged financially. Everyone is losing money this year.”

With the absence of Charity Hospital after Hurricane Katrina, the remaining hospitals were forced to be all things to all people, Sniffen said. But three years after the storm, to survive financially, that is no longer possible.

“Touro was the first hospital back after the storm. It did all the right things, but now it's struggling because the people who said, ‘Don't worry, we'll take care of it,’ are still telling us that the check is in the mail.”

Uncompensated care and rising labor costs continue to plague Touro, but the failure of the federal and state governments to adequately reimburse hospitals for Medicare and Medicaid are the real backbreakers, Sniffen said.

This year New Orleans hospitals failed to secure \$157 million in federal funding to help offset storm-related financial losses, and the state did not allocate additional money to help with Medicaid payments.

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“Not getting money from the state for Medicaid was very disappointing, especially when the state has a huge surplus,” Sniffen said. “It makes no sense. As a result we’ve been forced to go into our reserves and we’d rather invest our reserves then use it to cover payroll.”

But the news is not all bad, Sniffen said.

Touro will open a \$4.2 million imaging center at the intersection of Napoleon and Claiborne avenues in November and is in the process of expanding its cardiovascular department by way of new private practice doctors.

As of now Touro has suspended its search for a new CEO until it has figured out how best to position itself.

“I’m trying to really focus Touro on its core strengths and the community its serving and go from there,” Sniffen said. “We need to figure out the path we’re going on, get ourselves on that path, and once we feel comfortable with our finances, we can decide if we want to partner with academic institutions for educational purposes.

“The only thing we know about health care in New Orleans right now is that the market is still unsettled.”
<http://www.neworleanscitybusiness.com/viewStory.cfm?reclD=31414>

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Mettle of honor: Myths counter transplant success stories

New Orleans CityBusiness | 08.04.08

by Richard A. Webster

Britney Dugas trembled as she lay on a stretcher in the operating room at Ochsner Medical Center. Just a few months earlier, during a routine visit to the doctor for a simple cold, she was told there was a virus destroying her heart.

Various treatments failed during the next seven months leaving doctors with only one shot at saving Britney — they had to replace the dying organ.

Britney's name was placed on the transplant list and after a short wait, a perfect match came through.

Doctors prepped her for surgery and on May 31, 1998, she was wheeled into the operating room.

Fast-forward 10 years.

Britney, now 18 years old, won two gold and two silver medals at the National Kidney Foundation 2008 U.S. Transplant Games held July 11-16 in Pittsburgh. Her father, Ray, watched with pride as his little girl who nearly died a decade ago achieved the impossible.

"We went from the point where we thought we were going to lose Britney to where she is today," Ray Dugas said. "It's a miracle and it was granted to us by whomever the family was that agreed to donate the heart of their loved one."

This is the type of happy ending possible when people agree to be organ donors. But many believe that by affixing the organ donor sticker to their driver's license, instead of saving the life of a 10-year-old girl like Britney, they are sentencing themselves to a premature death, said Jeanette Slakey, executive director of the Legacy Donor Foundation in New Orleans.

Organ donation is shrouded in myths and misconceptions that often prevent people from becoming donors, she said. The most common is that doctors will secretly refuse to treat donors, waiting until they can declare the patient legally brain dead so they can harvest their organs.

This misconception persists in low-income and black communities that often harbor distrust towards the health care system, Slakey said. Many believe hospitals are willing to allow the poor to die just so their organs can be transplanted into the bodies of the wealthy.

As a result, blacks have the lowest rate of donating organs even though in Louisiana they have the greatest need for transplants, according to the Legacy Donor Foundation.

Tulane University performs 150 kidney transplants a year and 66 percent of the recipients are blacks because of high rates of diabetes and hypertension, said Dr. Sandy Florman, director of Tulane's Abdominal Transplant Institute. And yet blacks account for just 33 percent of kidney donors.

But it's not just the low-income classes and blacks perpetuating the myths.

"I see it everywhere," Slakey said. "I see it with people you think would be so in tune with what's going on in the medical community. They're educated professionals and successful in their businesses. And yet they'll come up with these crazy myths like, 'Only rich people get transplants.' A friend of mine actually said that."

Other people refuse to become organ donors because of religious reasons. But no major organized religion has condemned the practice, Slakey said. In 2000, the Catholic Church declared organ donation an act of "brotherly love."

Organs can only be taken from someone who has been declared legally brain dead, when the brain has permanently stopped working but the heart and lungs continue to function.

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Once this happens, doctors have to act fast to remove the organs before the patient dies. This puts surgeons in the difficult situation of having to tell the family their loved one passed away while at the same time asking permission to remove their vital organs to save other lives.

Even if the patient is a registered organ donor, hospitals typically require the permission of the family to harvest the organs. But often the family refuses, either because they are consumed with grief or don't believe that their relative is actually brain dead.

Once again, this stems from a deep distrust many have toward the medical community, said Julie Gable, program services director for the National Kidney Foundation of Louisiana.

"I hear horror stories from people all the time saying, 'My relative died and they couldn't wait to come in and ask for his organs, and I didn't believe he was dead.'

"It's hard for people to accept because they see their child lying in bed with the monitors still going and the heart still beating. It looks like he's just sleeping and then someone says to you, 'No, this person is brain dead and we want to take all of his organs out.'

"If you're a person who's poor and you're at Charity Hospital you're thinking, 'Just because I don't have insurance they're going to tell me anything so they can take my son's organs so they can give them to someone who is rich and has money.'"

While Gable and Slakey's organizations are working to educate the community and dispel such myths, the number of people in need of transplants continues to grow. Last year 670 names were added to the Louisiana kidney transplant list compared with 450 in 2004, a 49 percent increase, said Dr. George Loss, head of Ochsner's abdominal transplantation section.

By the end of this year, 800 more names will be added to the waiting list, Loss said. A reason for the rapid increase in demand is not clear, but he believes as the frequency of transplantation grows so, too, will understanding.

"It's difficult to live your life these days and not know someone who either had a transplant or had a family member who was a donor," Loss said. "I think this alone will help clear up a lot of the misconceptions."
<http://www.neworleanscitybusiness.com/viewStory.cfm?recID=31416>

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Lax oversight risks millions of Medicare dollars

Associated Press | 08.03.08

By HOPE YEN, Associated Press Writer

The government is putting millions of Medicare dollars at risk by authorizing fictitious sellers of wheelchairs, prosthetics and other medical supplies to submit reimbursement claims with only limited review, congressional investigators say.

The study by the Government Accountability Office obtained by The Associated Press sought to follow up on oversight gaps that have plagued the Centers for Medicare and Medicaid Services since at least 2005. Roughly \$1 billion of the \$10 billion in annual Medicare payments the government makes for medical equipment are later deemed improper.

The investigation found that CMS approved two companies in the past year for Medicare billing privileges that the GAO had set up as sham businesses. The companies did not have clients or medical inventory to supply prospective Medicare patients.

These fictitious suppliers, based in Maryland and Virginia, won privileges even though GAO investigators deliberately provided the government with sketchy information and false documents that offered little assurances the companies were legitimate.

"This sting operation proves that there are gaps in the system and that scam artists can exploit — and are exploiting — those gaps," said Minnesota Sen. Norm Coleman, the top Republican on the Senate Homeland Security and Governmental Affairs subcommittee that requested the report.

In response to the findings, the center agreed there were problems with its enrollment procedures. The agency said it recently put in place new standards that require medical suppliers to be certified. The goal is to help ensure medical suppliers meet quality standards before they receive Medicare billing privileges.

Among other changes are:

- _requiring that suppliers keep supporting paperwork from doctors.
- _limiting use of cell phones and pagers as a supplier's primary business number.
- _setting up a new competitive bidding process for medical equipment.

But investigators noted that CMS had made promises since at least 2005 to fix problems in its supply program and achieved only limited success. They said the government's approval of their two sham companies was alarming because once a supplier attains Medicare billing privileges, it easily can get a doctor's ID code fraudulently and begin submitting claims.

"If real fraudsters had been in charge of the fictitious companies, they would have been clear to bill Medicare from the Virginia office for potentially millions of dollars worth of nonexistent supplies," according to the GAO report.

The new oversight procedures "will only be successful if those tasked with ensuring compliance exercise due diligence when conducting screenings and inspections," investigators wrote.

A report by the Health and Human Services Department's inspector general in December 2006 found that almost one-third of the 1,581 medical suppliers it visited in south Florida did not have an office at the business address they provided Medicare, even though they collectively had submitted claims for hundreds of millions of dollars.

The GAO cited several recent fraud cases to highlight the problem:

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_One Florida businessman submitted claims from three fake medical supply companies in excess of \$5.5 million from October 2006 through March 2007 and received \$77,000 from Medicare. One company used a utility closet as its address; HHS investigators found buckets of sand mix and road tar, but no medical files, office equipment or telephone. The owner also stole personal ID numbers from doctors. In August 2007, he was sentenced to 37 months in prison for conspiracy to commit health care fraud and made to forfeit his Miami home and Rolls Royce.

_One former secretary of a fraudulent medical supplier said she started her own fake company by renting an office in the same location. She purchased fake invoices and then provided her former employer kickbacks to have access to Medicare beneficiary numbers. From January 2006 to April 2007 she submitted \$1.5 million in claims for urinary bags, canisters and air mattresses; Medicare paid the company \$372,286. She was sentenced for fraud in January to 30 months' imprisonment and three years of supervised release.

The GAO study is the latest to detail potential fraud and waste in the billion-dollar government-run health program for the elderly and disabled. Last month, a bipartisan report by the same Senate subcommittee found that medical suppliers collected as much as \$93 million in fraudulent Medicare claims based on prescriptions from dead doctors.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2008/08/03/national/w161245D29.DTL&hw=lax+oversight&sn=001&sc=1000>

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Hovering Above Poverty, Grasping for Middle Class

Washington Post | 08.03.08

By Michael A. Fletcher and Jon Cohen

Low-wage workers in the United States are gripped by increasing financial insecurity as they inch along an economic tightrope made riskier by pervasive job losses and rising prices. Many struggle to pay for life's basics -- housing, food and health care -- and most report having virtually no financial cushion should they stumble.

Still, they remain inspired by the American dream, with most saying they are more apt to move up economically than slip backward even if they are frustrated now. Most also expect better for their children.

This complex picture of low-wage workers emerges from a survey conducted by The Washington Post, the Henry J. Kaiser Family Foundation and Harvard University. The nationwide poll, conducted June 18 to July 7, included 1,350 randomly selected people between ages 18 and 64 who work at least 30 hours a week and earned no more than \$27,000 last year.

These low-wage workers account for nearly one-quarter of all U.S. adults. They care for the elderly in nursing homes or for the very young in day-care centers. They stock store shelves, do administrative work in offices, staff reception desks in hospitals and man assembly lines in factories. Not only do they receive low pay, but their jobs frequently come with no health-care coverage, vacations or even sick days. Yet, the vast majority said they like or even love their jobs and they believe in the power of hard work to transform lives.

The two major presidential candidates and members of Congress have largely turned their attention to middle-class Americans, whose anxiety is rising as the national economy falters on falling housing prices, tightening credit and rising inflation.

"A lot of issues that have long confronted low-wage workers are now increasingly facing middle-income workers," who more than ever face the prospect of jarring income declines, and the lack of health care and pensions to support them, said Beth Shulman, a scholar with the Russell Sage Foundation's Future of Work Project.

If those growing concerns translate into political action to bolster the social safety net, she said, it would disproportionately help low-wage workers. "I don't think we want to live in a country where people are working and doing what they are supposed to do but yet they can't get the basics," Shulman said.

For many low-wage workers, financial struggles persist and anxiety is high even when the economy is humming. Most of them occupy an uneasy and often overlooked place on the nation's economic spectrum, hovering above poverty but still grasping for the relative comfort of the middle class.

Over the coming weeks, the Washington Post will examine the lives of low-wage Americans. The stories will explore how they juggle their finances and bolster their spirits to cope with their economic struggles; how they adapt when the dream of a middle-class life fades; the factors that propel the optimism of others in the face of increasingly tall odds, and why, more often than not, they believe their fortunes are unaffected by the policies crafted by politicians in Washington.

Low-wage workers tend to be younger, less apt to be Republican and are less likely to be registered to vote, own homes or be married than the overall population. Most call themselves working class. About half live in households that earn no more than double the poverty-level income, which would be about \$42,000 a year for a family of four.

They also are more likely to be female and Hispanic. They tend to have less education than the general population: Most have not gone beyond high school, and only 1 in 8 has graduated from college, less than half the national rate. Low-income workers have been hit hardest by the economic trends that have come to define the modern economy. Their wages have stagnated as a greater share of work's rewards go to the best-educated and best-paid workers, widening income disparities to levels not seen since the 1920s.

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Globalization has thrust many firms and their employees into a new, more intense competition to perform more efficiently. Many computer-based jobs can now be done anywhere in the world. Similarly, lower trade barriers have allowed markets for manufactured goods, raw materials and capital to span the globe. And even when factories stay in the United States, technology has made it possible for them to produce more with fewer workers. Meanwhile, unionization has declined to single-digit percentages among private-sector workers, further eroding the leverage of employees. All of this has been a drag on salaries. On Their Own

As the nation endures its first sustained downturn since welfare reform a dozen years ago, low-income workers find themselves increasingly on their own. Many low-wage workers are straining to pay for life's necessities and say they feel little impact from government programs designed to help.

With inflation up 5 percent in the past year, the vast majority of those surveyed are having trouble paying for gas, saving for retirement or for their children's educations. Most find it difficult to afford health care and housing, and nearly half struggle to pay for food.

For many, their jobs contribute to the stress. Three in 10 work for companies that do not offer them health insurance or paid vacations. About 4 in 10 get no sick days or retirement benefits.

To cut expenses, most said they are trying to minimize their use of electricity and heat, and more than half said they have postponed needed medical or dental care.

"Our company doesn't provide medical insurance. I have to provide my own, and I cannot find any that I can afford," said Angela Dobson, 36, a restaurant worker in Anderson County, S.C. "As far as having a full-blown checkup, I have not had one in probably 10 to 15 years."

Many others said they have dipped into their savings or cashed out retirement funds in the past year to make ends meet, while 41 percent said they have borrowed money from friends or relatives to get by.

"Prices have gone up, and it's not just gas," said Elaine Judy, 38, who prepares meals for students in a reading program in Burlington, W.Va. "It is hurting the hard-working person."

Neither Judy, nor her husband, Rick, who works for a firm that sells truck parts, have received significant pay increases in recent years. And with two of their three children still living at home, they have had little choice but to tighten their belts. "We've had to cut back on things like going out to eat and shopping to make sure we have the necessities," she said. "We feel okay, but you have to worry more than you used to."

The anxiety is growing. Half of respondents said that financially they feel "less secure" than they did a few years ago. Meanwhile, the vast majority said it is harder for people like them to get ahead financially.

About half said they would only be able to survive a month before landing in financial trouble if they suddenly lost their jobs, while a third said they would last two weeks or less. A third of those polled said that someone in their families has been laid off or lost a job in the past year, while many others said their own or a family member's work hours had been reduced.

Marisa Delgado, 37, a grocery store worker who lives in Bonita Springs, Fla., has been her family's sole breadwinner since her husband was laid off from his construction job six months ago. Now her job hangs in the balance. The Albertson's store she works for is among 49 recently purchased by the supermarket giant Publix, and she has had to reapply for a job that is likely to reduce her pay.

"I might have to be forced to move back to Texas," Delgado said, "because I won't be able to afford to live in Florida."

While they were both working, Delgado and her husband were able to eat out at least weekly, but no longer. They also sent about \$50 to her husband's mother in Mexico every other week, a practice that they have cut back drastically. They have stopped using one of their cars, and last month they took a load of DVDs, jewelry and other valuables to a pawn shop "so that I could put food on the table," Delgado said.

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Even with the change in fortune, Delgado, who calls herself deeply religious, is confident it all will work out. "Everything's going to turn out okay," she said. "I always say that the Lord doesn't give you more than you can handle."

Her reliance on faith is a common one: The vast majority of those polled said religion or their faith in God plays an important role in helping them through financial straits.

Nearly half of low-wage workers said their personal financial situations have deteriorated under President Bush, while only 11 percent said things have improved. And a slim majority said that when it comes to getting good jobs, the nation's best years are in the past, not the future.

That view was more likely to be expressed by those who have a high school education or less than by those who have attended college. The gap is not surprising, given education's growing correlation with income. In 1973, the nation's top 20 percent of wage earners were as likely to be high school graduates as college graduates. College graduates now outnumber high school graduates by 4 to 1 in that income bracket.

Although they feel increasingly squeezed, just 3 in 10 low-wage workers blame their employers for their plight, while 6 in 10 said they are responsible for their own financial situation. A similar proportion said people can get ahead by working hard.

But they are also unsparing in their view of the federal government. The vast majority said the federal government bears at least some responsibility for their situation, and 2 of 3 said the same about corporate America. More than half said that government programs aimed at helping working families "aren't having much impact," while another 2 in 10 said they are actually making things worse.

At the same time, many low-wage workers benefit from multibillion-dollar government programs aimed at helping them. About half said they took the Earned Income Tax Credit last year, which supplements the income of low-wage families, and about half of those with children said they received health care for their children through Medicaid or the State Children's Health Insurance Program, which is jointly funded by the federal government and the states.

Crystal Willis, 21, a sales associate in Oklahoma City, is one of those who benefits from a public safety net. "I make a decent amount, but I don't make enough to support our family," she said. "The baby's on WIC [the federal Women, Infants and Children program] so we can afford our formula. If I had to pay for everything, we'd barely be making it, if we were making it at all."

Also, Congress last year approved the first increase in the federal minimum wage in a decade. The second phase of the increase went into effect in July, raising the minimum wage to \$6.55 a hour -- less than the inflation-adjusted 1997 level of \$6.88. Nonetheless, it meant pay raises for an estimated 2 million U.S. workers, according to Holly Sklar, director of Business for Shared Prosperity, a Boston group that advocates for policies that reduce economic inequality. Despite their dissatisfaction with government, majorities of poll respondents said the government should make it a "top priority" to get them more affordable health insurance, cheaper gas, financial assistance for higher education and public works jobs.

Nearly half of low-wage workers said illegal immigrants take jobs from legal residents, and half of those believe that they are jobs that residents would want. Still, only 1 in 5 said that they or their family have been hurt by illegal immigration.

Half of low-wage workers believe the growth in international trade has made things worse for the country as a whole, nearly triple the number who said it made things better. Fewer feel impacted personally. More than half said trade has not made much of a difference in their lives, while just over 1 in 4 said it had made their lives worse. Thirteen percent said trade made it better.

Even as they are deeply concerned and frustrated about their financial condition, the vast majority of low-wage workers look forward to a brighter future. By a larger than 4 to 1 margin, these workers are more apt to think they will move up than slip backwards in terms of social class. Similarly, 59 percent of those with children predict that the new generation will be better off than they are today.

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In some cases, their confidence springs from experience. Almost half said they are better off now than their parents were at a similar stage of their lives. About a quarter said they were doing about the same. Twenty-seven percent said they are doing worse. Immigrants, who have the circumstances in their home countries for comparison, are particularly apt to say they are doing better than their parents and expect even better times for their children.

Overall, nearly half of all workers in the poll feel at least "somewhat close" to the American dream, and optimism burns brighter among young workers and those born outside the United States. Only about 2 in 10 low-wage workers said flatly that they are unlikely to achieve it in their lifetimes.

"It's still attainable, just a little bit harder now at this time in the economy," said Edward Morrissey, 47, a mortgage broker from Flourtown, Pa., whose income plummeted in the housing downturn. "But yeah, everybody wants to be able to have their own house and family, and be able to pay their bills, and have a little extra money, and you can still do it."

Polling analyst Jennifer Agiesta and assistant polling analyst Kyle Dropp contributed to this report.
<http://www.washingtonpost.com/wp-dyn/content/article/2008/08/02/AR2008080201672.html>

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