



Kentuckians' Experiences with *Reductions in Salaries and Benefits*

December 2009



Results From the Foundation for a Healthy Kentucky
and The Health Foundation of Greater Cincinnati



2009 will be remembered as a difficult economic year for most of the country, and Kentucky is no exception. Unemployment in Kentucky exceeded 11% in 2009 and was consistently higher than the national average.¹ Even Kentuckians who have jobs may still have difficulty making ends meet because of reductions in salary or benefits. The 2009 *Kentucky Health Issues Poll* asked Kentucky adults about whether they or a member of their family had a cut in pay or benefits over the last year, and whether these cuts were a serious problem.

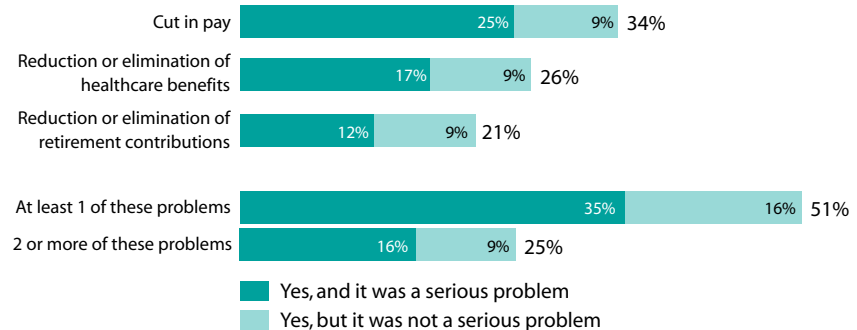
Over Half of Kentucky Adults Had a Cut in Salary or Benefits

The *Poll* asked Kentucky adults if they or their family members experienced one of three specific problems in the last 12 months:

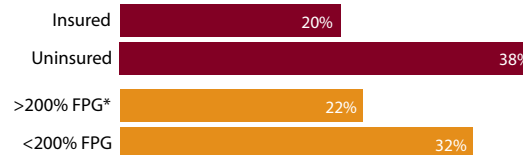
- a cut in pay,
- a reduction or elimination of healthcare benefits, and
- a reduction or elimination of retirement contributions.

Half of Kentucky's adults (51%) reported that they had at least one of these problems, and 1 in 4 (25%) said they had two or more

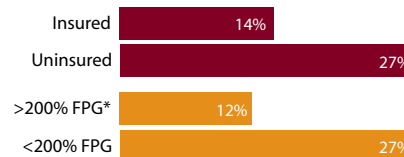
Have you or your family experienced any of the following problems in the past 12 months, or not? Was this a serious problem, or not? (Graphs present percentage of people reporting this was a problem only.)



Kentuckians reporting that a cut in pay was a serious problem, by subgroup



Kentuckians reporting that a reduction or elimination of healthcare benefits was a serious problem, by subgroup



* 200% of the federal poverty guidelines (FPG) in 2008 was a household income of \$42,400 for a family of 4.

of these problems. For the specific problems:

- 1 in 3 (34%) reported they or a family member experienced a cut in pay,
- 1 in 4 (26%) reported they or a family member experienced a reduction or elimination of healthcare benefits, and
- 1 in 5 (21%) reported that they or a family member experienced a reduction or

elimination of retirement contributions.

Uninsured and Low-Income Kentuckians Reported Serious Problems More Often

Uninsured Kentuckians and Kentuckians living below 200% of the federal poverty guidelines

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¹ Bureau of Labor Statistics, U.S. Department of Labor, *Local Area Unemployment Statistics, Jan–Oct 2009* [accessed December 2, 2009 from <http://www.bls.gov/lau/>].

(FPG)² reported higher rates of serious problems with cuts in pay and healthcare benefits:

- 4 in 10 uninsured Kentuckians (38%) reported a serious problem experiencing a cut in pay, compared to 1 in 5 insured Kentuckians (20%).
- 1 in 4 uninsured Kentuckians (27%) reported a serious problem experiencing a reduction or elimination of healthcare benefits, compared to 1 in 7 insured Kentuckians (14%).
- 1 in 3 Kentuckians living below 200% FPG (32%) reported a serious problem experiencing a cut in pay, compared to 1 in 5 Kentuckians living above 200% FPG (22%).
- 1 in 4 Kentuckians living below 200% FPG (27%) reported a serious problem experiencing a reduction or elimination of healthcare benefits, compared to 1 in 8 Kentuckians living above 200% FPG (12%).

Reduction or Elimination of Retirement Income

The economic downturn affected not only working adults, but retirees as well. One in five Kentucky adults (20%) reported that they or their family experienced a reduction or elimination of retirement income in the past year, and it was a serious problem for one in seven (14%).

² 200% of the federal poverty guidelines (FPG) in 2008 was a household income of less than \$42,400 for a family of 4.