A joint project of the Center for Civil Society Studies at the Johns Hopkins Institute for Policy Studies in cooperation with the Alliance for Children and Families, Alliance for Nonprofit Management, American Association of Homes and Services for the Aging, American Association of Museums, Community Action Partnership, League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, the National Council of Nonprofits, and United Neighborhood Centers of America

Communiqué No. 15

Health Care and Nonprofits: The Hidden Dimension of America's Health Care Crisis

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Despite all the recent talk about America's health insurance crisis, one crucial component of this crisis is still being ignored. This is the impact escalating health insurance costs are having on the workers in the nation's fourth largest workforce—namely, the workforce of America's private nonprofit organizations, comprising day care centers, human service agencies, homeless shelters, orchestras, museums, hospitals, universities and many more.[1]

Yet the impact of health insurance cost escalation on this workforce is mammoth and has profound implications for the country's current health reform debate. However, these implications are being ignored in important part because of a lack of timely data on the special health benefit challenges this important set of workers, and the organizations that employ them, are facing.

To correct this, the Johns Hopkins Nonprofit Listening Post Project focused the most recent Sounding, or survey, of its nationwide sample of nonprofit human service, community development, and cultural organizations on how nonprofit organizations and those they employ are being affected by the continuing escalation of health insurance costs.[2] The results are chilling and can be summarized under four major headings:

[1]Nonprofit organizations employed 9.4 million paid workers in 2004. Once nonprofit workers are excluded from the health, social services, and education industries, only three of the 13 industries into which official economic statistics divide the economy employ more people than the nonprofit sector (wholesale and retail trade with 20.7 million workers, manufacturing with 14.2 million workers, and accommodation & food services with 10.6 million workers). This puts the nonprofit sector ahead of such industries as hotels and restaurants, finance and insurance, public administration, transportation, utilities, agriculture, and mining.

[2]The data reported here come from the latest Listening Post Project Sounding, which was fielded July 22-August 14, 2009 to the project's two national panels of nonprofit organizations on the front lines of nonprofit operation: (1) a "directed sample" of children and family service agencies, elderly housing and service organizations, community and economic development groups, museums, and orchestras recruited from among the members of major nonprofit intermediaries operating in these fields (i.e., the Alliance for Children and Families, American Association of Museums, American Association of Homes and Services for the Aging, Community Action Partnership, League of American Orchestras, Lutheran Services in America, the former National Congress for Community Economic Development, and United Neighborhood Centers of America); and (2) as a check on any possible distortion that this sampling strategy may have introduced, a "random sample" of organizations in these same basic fields selected from IRS listings of agencies or more complete listings suggested by our partner organizations where they were available. In addition to the two national samples, the project has started to build a set of state nonprofit Listening Post samples beginning with members of the Michigan Nonprofit Association and including a parallel sample of Michigan nonprofit organizations in the same fields chosen randomly from IRS listings. Because the Michigan respondents are over-represented in the overall sample, their results were weighted to offset this, and the weighted results are reported throughout. Altogether, 412 organizations, or 39 percent of those that received the Sounding, responded. It is also important to note that 26 percent of the respondents reported revenues of under $500,000, which is far lower than the share of small organizations in the nonprofit sector overall. While the results may not be fully representative of the organizations in these fields, therefore, they are far more representative of the bulk of the activity, which tends to be concentrated in the larger organizations. In addition, the inclusion of a significant number of small organizations in the sample makes it possible to determine whether, and how much, their experience differs from that of larger nonprofits, and these size differences are reported throughout where they are substantial. For further detail on the sample composition, see Appendix A.

- First, health insurance is particularly important to nonprofit organizations, giving nonprofit executives a way to offset the effects of generally lower pay scales and reward loyal employees.
- Second, nonprofit executives are overwhelmingly concerned about their ability to sustain this benefit into the future.
- Third, there is good reason for this concern since health benefit costs have been rising fast for nonprofits, including over the past year when nonprofits were being hit by declining revenues and increasing demand.
- Finally, there is considerable evidence that these escalating costs are taking a toll, forcing some organizations to cease providing health benefits and others to reduce coverage and shift more of the costs onto their employees.

All of this has profound implications for the ability of nonprofits to continue performing the important roles they play in our country—sheltering the homeless, training the unemployed, educating our youth, building affordable housing, counseling families, delivering health care, giving voice to the powerless, and enriching our lives with arts and culture and other means of expression.

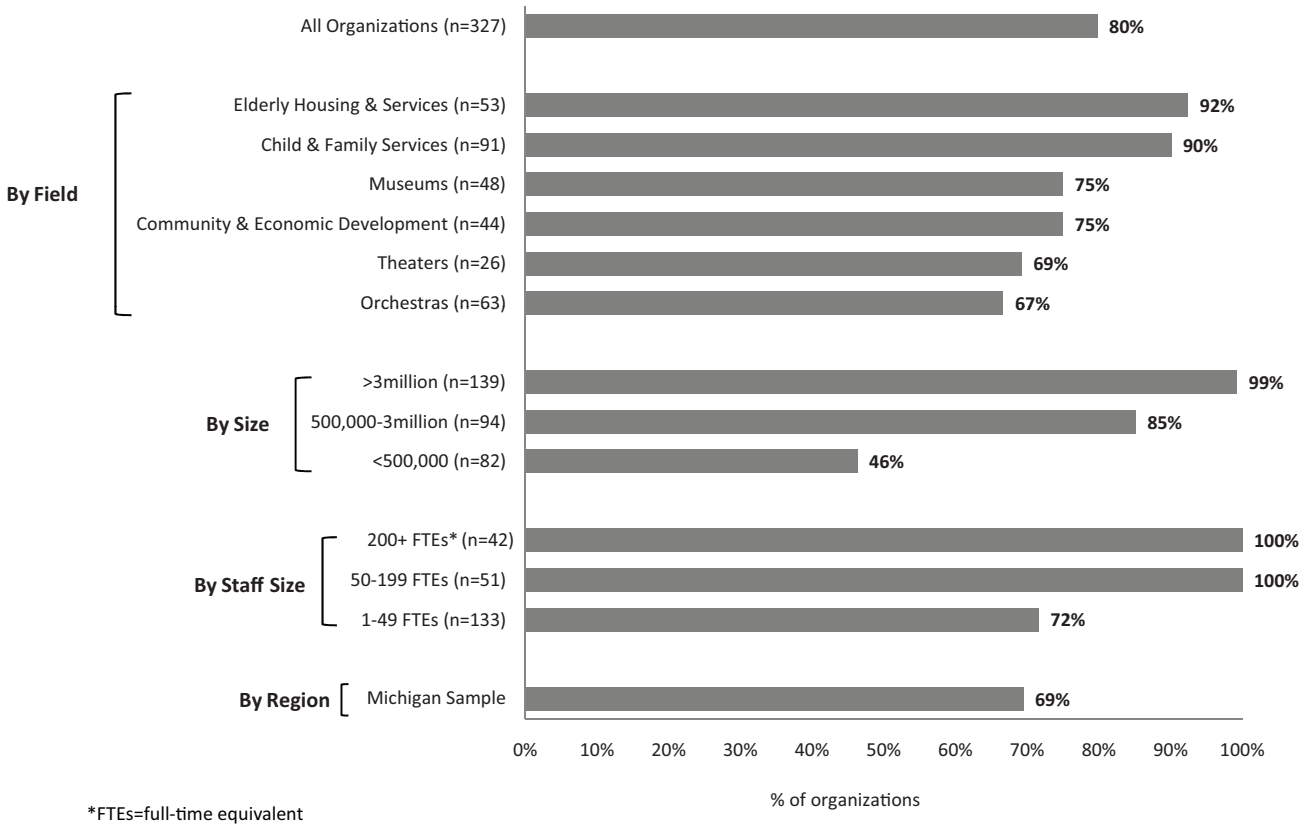
The balance of this Communiqué provides the detail that documents these major findings and then spells out some of their implications.

I. Importance of Health Coverage for Nonprofit Employers

Health insurance coverage is quite crucial for nonprofit employers. Nonprofits are generally not able to match the salary levels of for-profit firms. One way they attempt to stay competitive, therefore, is to offer reasonable benefit packages, with health benefits heading the list. As one respondent put it:

"As an agency, we are not in a position to pay our employees what they would make working for a for-profit company. Therefore, benefits such as health care and a retirement plan are critical in retaining quality employees."

Figure 1: Share of nonprofit respondents offering health benefits to employees, by field, size, and region



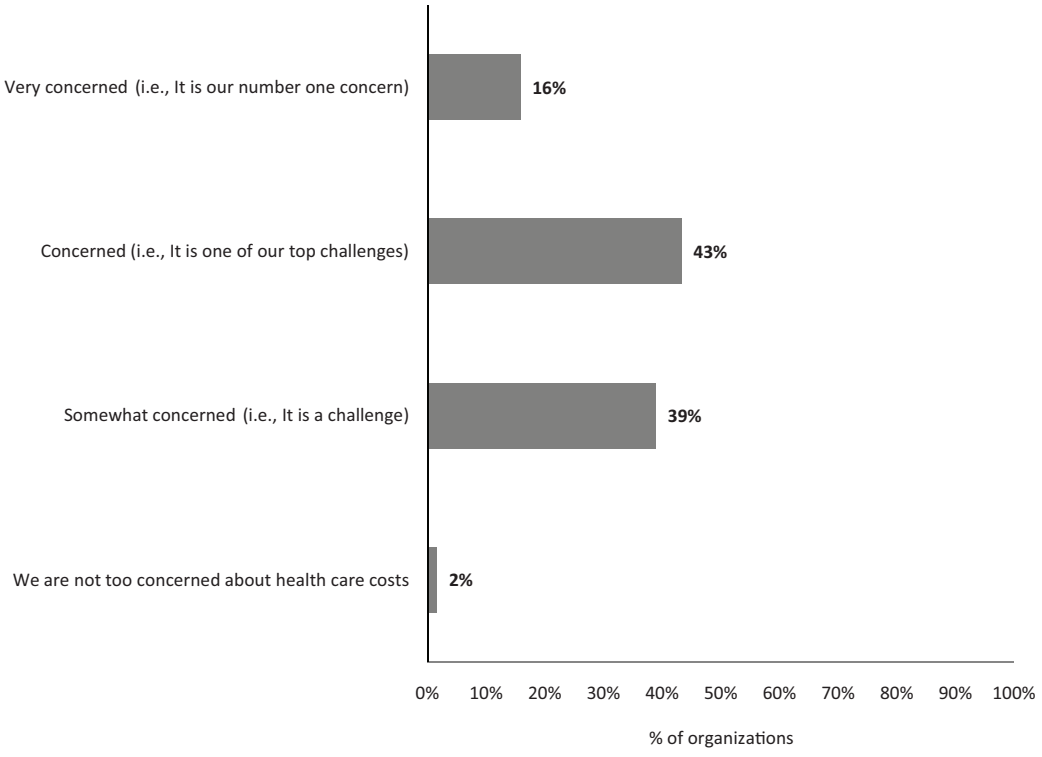
*FTEs=full-time equivalent

Source: Johns Hopkins Nonprofit Listening Post Project Health Benefits Sounding, 2009

This is also consistent with nonprofit missions: nonprofits cannot very easily remain true to their mission of helping others if they do not make a good-faith effort to treat their own workers decently. And from the evidence at hand, this is what they have been doing, or at least attempting to do. In particular:

- A striking 80 percent of the nonprofit respondents to our July 2009 health benefits survey reported offering health insurance coverage for their employees.[3]
- Moreover, these programs are open to substantial proportions of organizational employees. Thus, over two-thirds (68 percent) of all respondents offering health insurance indicated that at least half of their employees, including both full-time and part-time workers, participate in the health insurance program. (Others may have insurance through a spouse.)
- Provision of health benefits is also quite ubiquitous within the nonprofit sector. As reflected in Figure 1, overwhelming proportions of elderly housing and service organizations and child and family service organizations provide such coverage, but so do substantial majorities of museums, community and economic development organizations, theaters, and orchestras.
- At the same time, provision of health benefits is far from universal. Especially notable is the disparity in coverage by size of organization. While anywhere from 85 to 99 percent of medium-sized and large organizations offer such benefits, fewer than half of the smaller organizations do, and these comprise by far the largest number of organizations in the sector even if they account for a relatively small proportion of the total employment. One likely explanation of this disparity is the inability of the smaller or-

Figure 2: Nonprofit concerns over health insurance costs (n=261)



Source: Johns Hopkins Nonprofit Listening Post Project Health Benefits Sounding, 2009

[3] This is considerably above the rate for small businesses though comparisons are difficult due to differences in sample composition. Thus, for example, the Kaiser Foundation's Employer Health Benefits survey (2008) found that 62 percent of all small firms (i.e., firms with 3-199 employees) offered health benefit coverage. However, 91 percent of the respondents in the Kaiser Foundation survey had fewer than 50 employees. By comparison, in our sample only 58 percent of the respondents had fewer than 50 employees. A better comparison may therefore be with two other surveys of small businesses: one a survey by the National Association of Insurance Commissioners of businesses with 100 employees or fewer in 2007, which found that just 47 percent of these businesses offered health insurance; and second, a Northwest Federation of Community Organizations survey of businesses with 50 employees or less, which found that only 34 percent of these businesses offered health coverage. By comparison, 71 percent of the nonprofit organizations with 49 or fewer employees in our sample offered such insurance.

ganizations to cover the costs of health benefits, and with costs rising, as we will see below, this disparity is likely to grow and to affect the mid-sized agencies as well.[4]

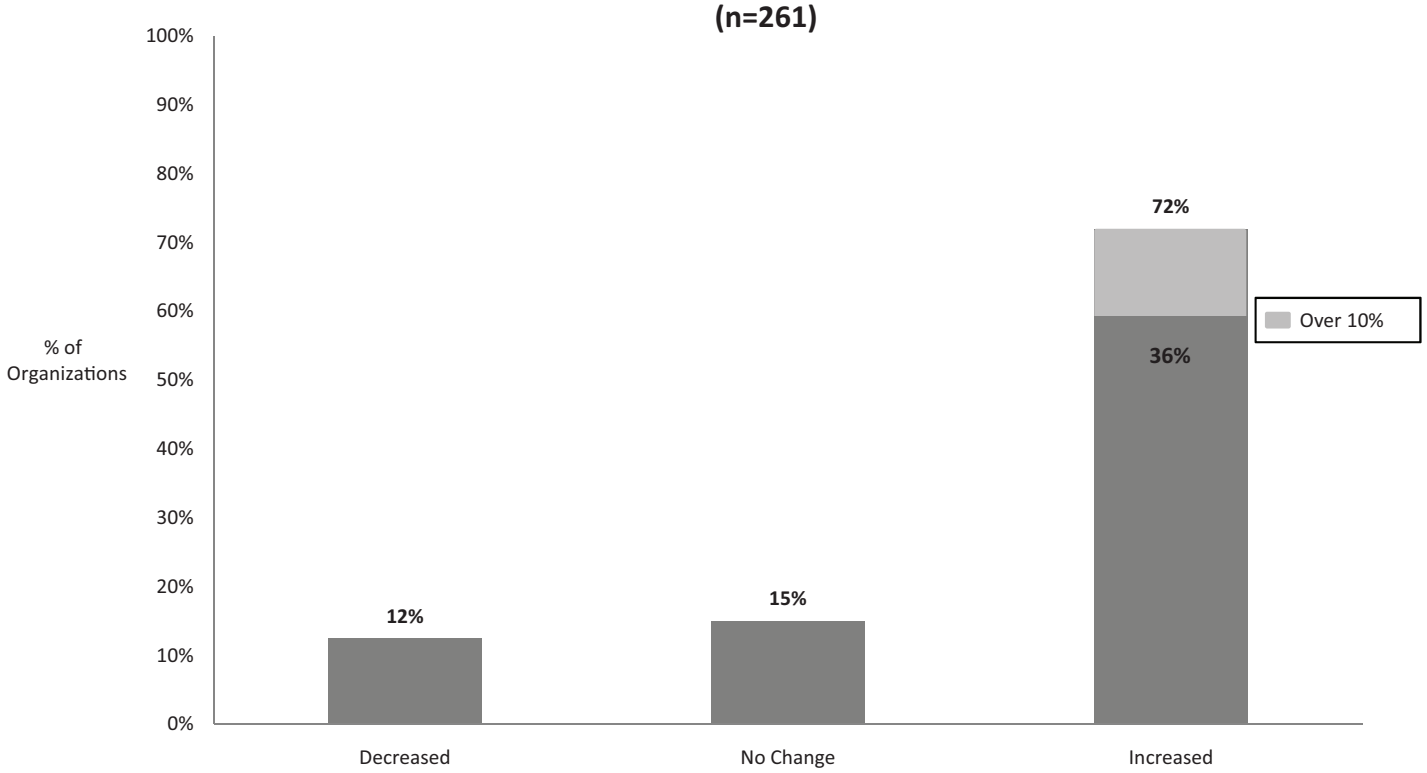
II. Escalating Concerns about Health Benefit Costs

Given the importance of health benefits to the human resource policies of nonprofit organizations, it will come as no surprise that recent trends in health insurance costs have become a source of concern to nonprofit executives. Nevertheless, the level of concern evident in the responses to our survey is still striking. In particular:

- Virtually all responding nonprofit executives offering health benefits (98 percent) indicated that they are concerned about their organization's health care costs, and a striking 59 percent ranked health care costs as one of their organization's top challenges.
- Typical of the concerns that responding executives expressed were:
  - "Health care costs are starting to eat us alive."
  - "Our health plan is our largest expense outside of payroll… [As we] feel a moral obligation to provide decent coverage, we feel held hostage by insurance companies. [We have] no other viable options."
  - "We pride ourselves on taking great care of our employees but it is increasingly difficult to do so with decreasing revenue and out of control costs. Change is needed for employers, as well as for the many individuals and families in our country who are not able to afford or access health care coverage."

Clearly, there is a sense of crisis brewing among these otherwise generally upbeat nonprofit managers. And this is especially telling given that our sample includes a strong

Figure 3: Share of nonprofit respondents reporting changes in their health insurance costs over previous year (n=261)



Source: Johns Hopkins Nonprofit Listening Post Project Health Benefits Sounding, 2009

[4]Another possible explanation for this disparity may be that at least some of the organizations with expenditures of $500,000 or less do not have employees, or have too few employees to justify creating a health benefit plan. Evidence for this interpretation can be found in Figure 1's data showing that when size of organization is measured in terms of employees rather than expenditures, the disparity between large and small organizations offering insurance closes considerably. Thus, while only 46 percent of organizations with expenditures under $500,000 offer such insurance, 71 percent of those with at least 1-49 employees do. Not shown in the figure, but visible through the data, is the fact that even for those nonprofits with 1-9 employees, 57 percent report offering some kind of health insurance for employees.

representation of some of the largest organizations in the sector in addition to small and mid-sized organizations.

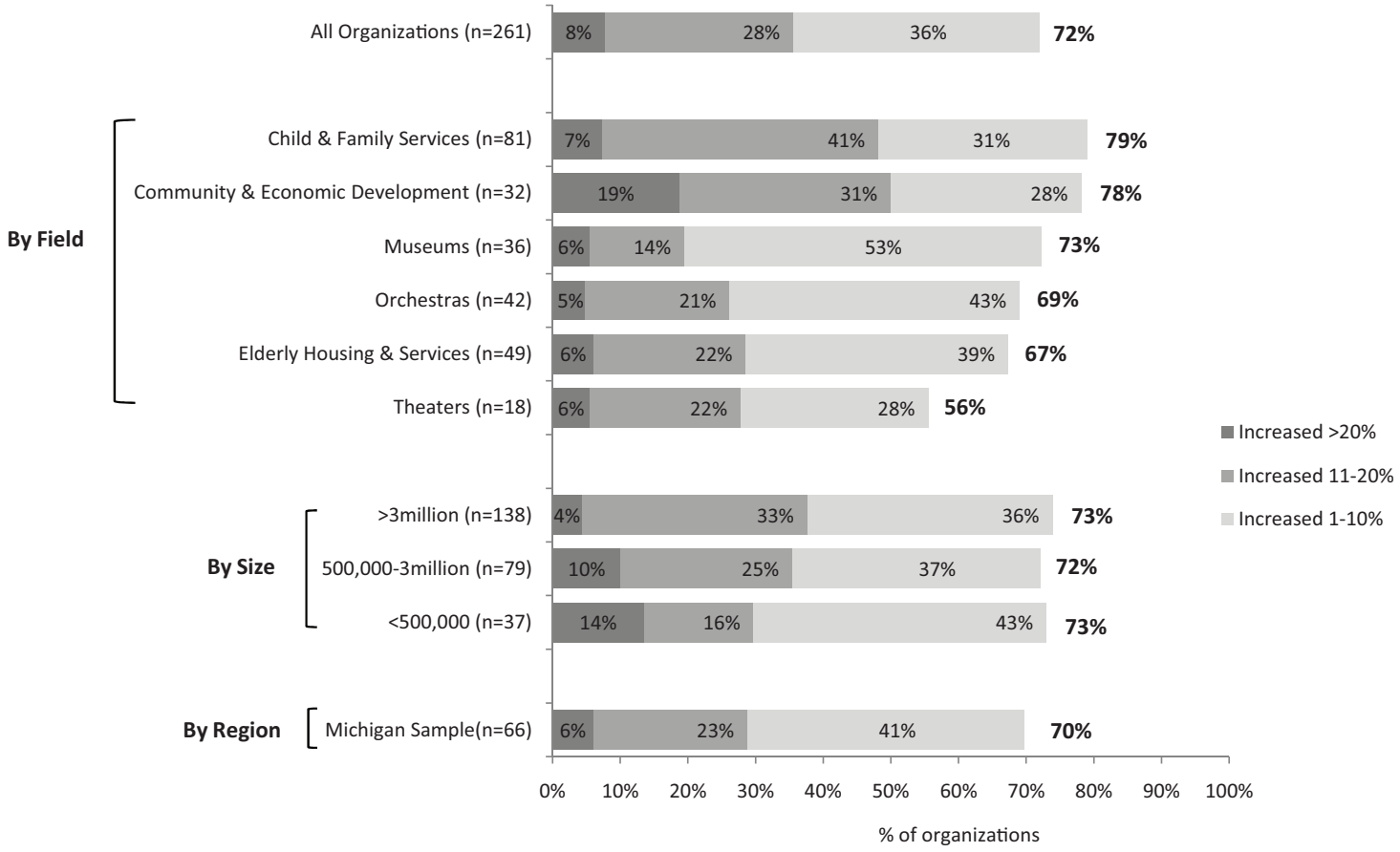
III. Sources of Concern

What is the source of this concern? At base, it is financial: health benefit costs are simply outstripping available revenues. Beyond that, however, it is concern about the ability to retain and attract quality staff, and about employee morale in a situation where work pressures are growing and benefits declining. From the evidence revealed in this Sounding, the concerns are understandable. In particular:

Rising Health Benefit Costs

- Nearly three out of every four nonprofits offering health benefits (72 percent) reported that their organization's total direct health insurance costs increased during the past year, as shown in Figure 3.[5]
- What is more, over a third (36 percent) of Listening Post respondents offering health benefits reported increases of 11 percent or more in their total direct health insurance costs over this same one-year time period. By comparison, national health insurance costs are rising by an average of 5 percent per year.[6]

Figure 4: Share of nonprofit respondents experiencing health benefit cost increases over previous year, by field, size, and region



Source: Johns Hopkins Nonprofit Listening Post Project Health Benefits Sounding, 2009

[5] The actual question asked respondents to compare their previous and current plan years.

[6] Kaiser Family Foundation and Health Research and Educational Trust, *Employer Health Benefits* (2008).

- This elevated rate of cost increase cannot be explained by growth in nonprofit employment during this period. In fact, the vast majority (68 percent) of organizations with increases of 11 percent or more reported that their employment actually went down (18 percent) or stayed the same (50 percent) between their previous and current plan years.

- Moreover, increased health insurance costs affected substantial majorities of organizations in all fields and of all sizes, although some important variations were evident. In particular (see Figure 4):

  ◦ Children and family services and community and economic development organizations were especially hard hit by escalating costs, with roughly half of those offering health benefits experiencing double-digit increases over the past year.

  ◦ In contrast, although 73 percent of museums reported increases, the increases appear to have been more restrained, with only one in five museums reporting increases in excess of 10 percent over the past year. One reason for this may be that many of these organizations are parts of larger institutions (e.g., universities) and benefit from the buying power the larger institutions can muster.

  ◦ Also notable is the apparent success that elderly housing and services organizations appear to have had in keeping health benefit cost escalation in check, though close to 30 percent of these organizations also reported spikes in health care costs in excess of 10 percent over the past year.

  ◦ Somewhat surprisingly, organizations in the highest revenue class were more likely than their smaller counterparts to experience double-digit increases, and organizations employing 50-199 full-time equivalent workers were more likely than any of the other size classes to experience increases of 11 percent or more. The differences here are not sufficiently large to be statistically significant, however.

  ◦ Michigan respondents were somewhat less likely than their counterparts operating in other parts of the nation to experience increases of 11 percent or more (29 percent vs. 36 percent, respectively), a variation that may be related to organizational size. As illustrated in Appendix Table A-2, just 24 percent of Michigan respondents had revenues greater than $3 million (i.e., the revenue category hit hardest by soaring costs), compared to 44 percent of the national sample (see Appendix Table A-3).

- These recent increases come on top of continuing increases in previous years, moreover.

  ◦ Average health benefit costs for Listening Post organizations grew by nearly 40 percent between 2004 and 2009, an increase of 6.7 percent per year, well above the inflation rate of approximately 3 percent and the average rate of health benefit cost inflation of 5 percent (see Table 1).[7]

  ◦ In the process, health benefits as a share of total employee compensation grew by over 12 percent, suggesting that health benefit costs are squeezing out pay increases and other aspects of employee compensation.

- Nonprofit executives expect such increases to continue in the future as well.

  ◦ As reflected in Figure 5, the vast majority (80 percent) of all organizations providing health benefits expect their health insurance costs to increase further over the next 12 months, and roughly a third of the organizations (32 percent) expect the increases to exceed 10 percent, a

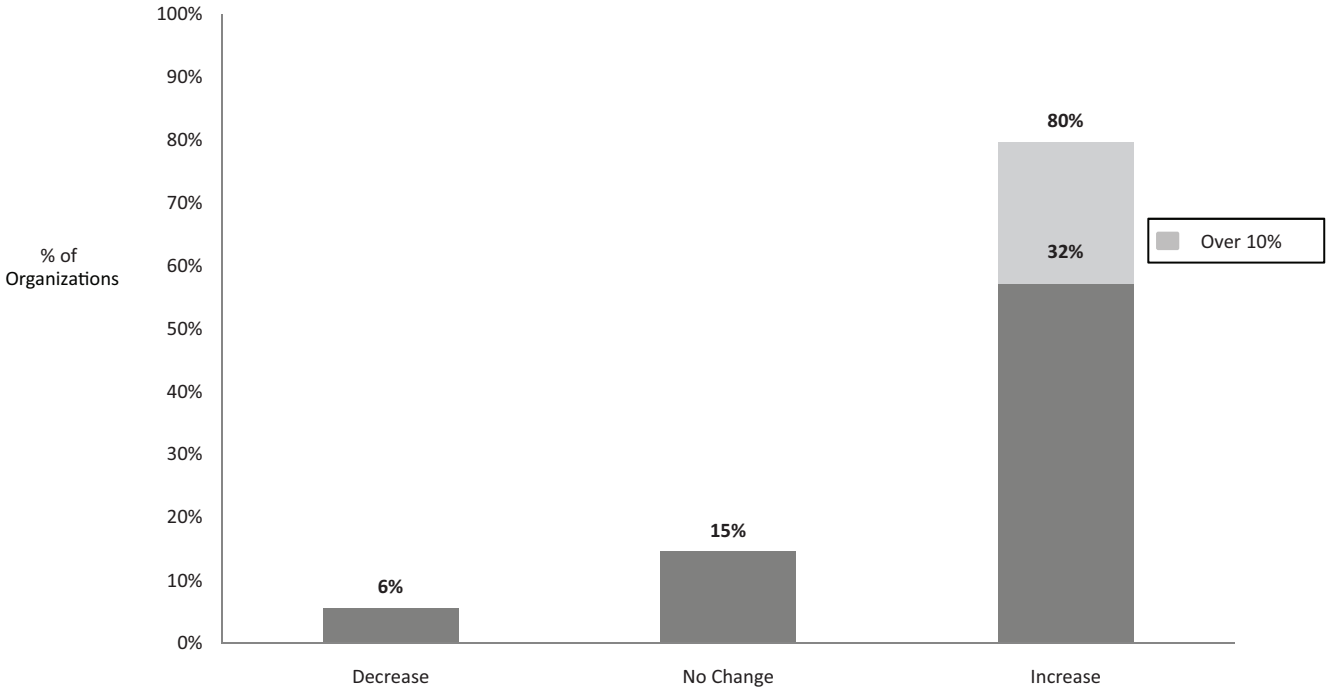
Table 1: Changes in Health Care Costs for Sample Agencies, 2004 vs. 2009

Variable	2004 (n=187)	2009 (n=185)	% change, 2009 vs. 2004
Total direct health costs	$678, 931	$941,294	+38.6%
Health costs as % of total employee compensation	13.0%	14.6%	+12.3%

Source: Johns Hopkins Nonprofit Listening Post Project 2009 and 2004 Health Benefit Soundings

[7] This figure was computed by comparing the health benefit costs reported by a comparable group of Listening Post organizations surveyed in 2004 with the present results from organizations surveyed in 2009. As a further check on these results, we conducted a similar analysis of a matched set of organizations that answered the health benefit survey in both years. The overall change for this more limited set of organizations was approximately 30 percent, yielding an average annual increase of 5 percent. However, the number of observations was not as robust.

Figure 5: Share of nonprofit respondents expecting changes in their health benefit costs over the next twelve months (n=261)



Source: Johns Hopkins Nonprofit Listening Post Project Health Benefits Sounding, 2009

crushing blow to organizations facing fiscal difficulties in the wake of the current economic crisis.

◦ Many respondents emphasized that these expected increases could have severe consequences for their organizations, forcing them to hold down wages, shift to part-time employees, drop coverage altogether, or even reduce mission-critical services. Typical concerns expressed by executives of surveyed organizations included the following:

» "Because of the increase in health benefit costs and the economy (less donations), we will not be able to increase wages for any reason (such as cost of living)."

» "Health costs are our number one concern. Without offering health insurance we cannot hope to keep our director, yet it is a cost we cannot afford that keeps growing even when our revenues do not."

» "Health care costs are having unintended consequences such as pressure to move to more part-time employees in order to control costs. I fear we will lose the 'maturity' and 'wisdom' of older staff as these costs spiral upward."

» "Health insurance is becoming too expensive for us. This year, we will be looking at abandoning the plan we have had for more than 25 years because our car-

Table 2: Changes in Health Benefit Coverage by Nonprofit Organizations in Listening Post Project Sample, 2009 vs. 2004

Provide Health Coverage?	2004 (n=238)	2009 (n=230)	% Change, 2009 vs. 2004
Yes	90.4%	84.5%	-6.6%
No	9.6%	15.5%	+62.5%
Source: Johns Hopkins Nonprofit Listening Post Project 2009 and 2004 Health Benefit Soundings			

rier has predicted that our premiums for this fiscal year will be 13% of our total agency income from all sources."

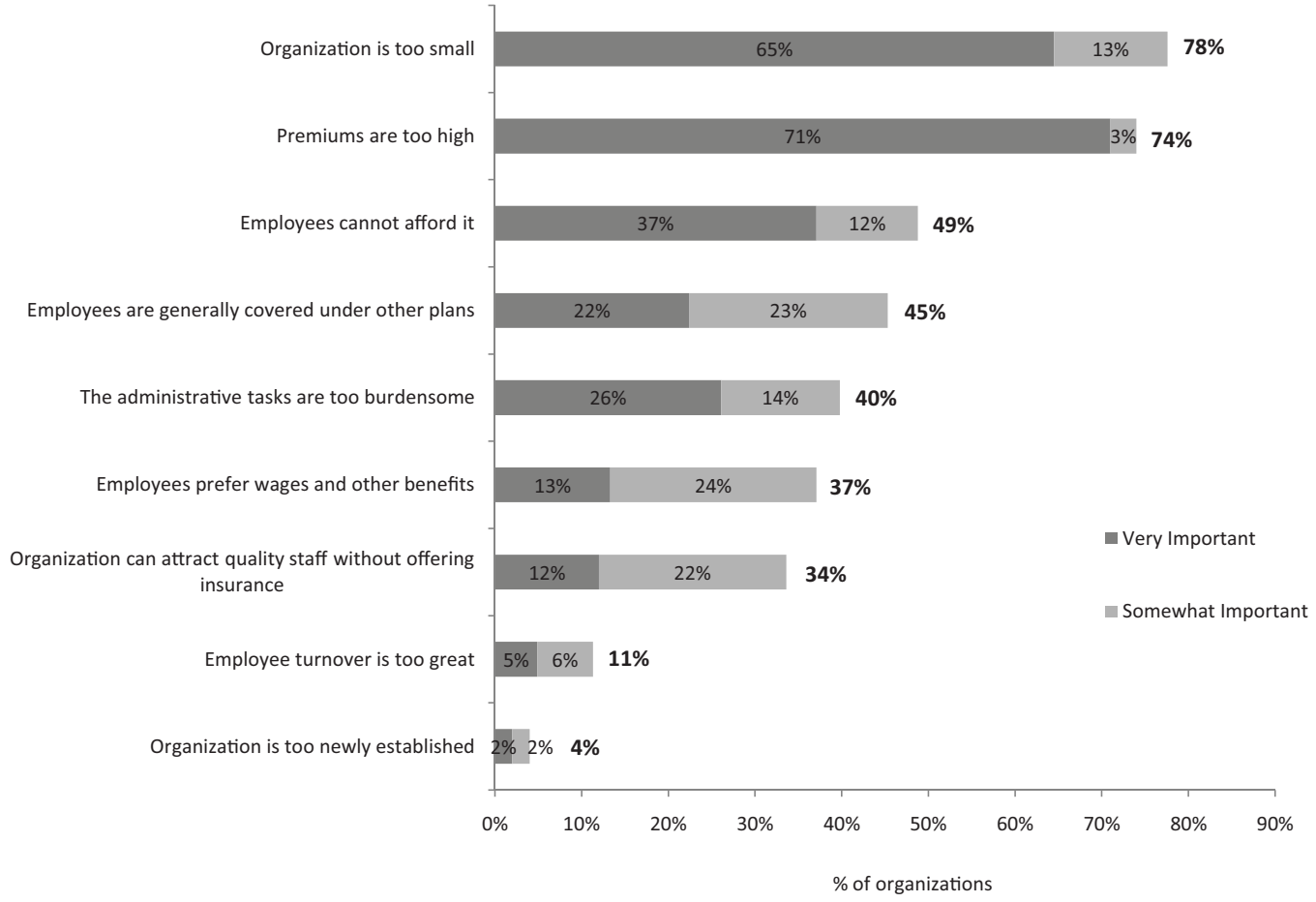
Reduced Coverage

- These concerns about reduced coverage are far from merely academic. To the contrary, evidence of reduced coverage is already painfully present in the data. In particular:
  - Most seriously, there is already evidence of the most extreme form of reduced coverage—i.e., cancellation of health benefits entirely. As reflected in Table 2, the share of sampled organizations reporting no health benefit coverage for their employees increased by over 62 percent between our 2004 survey and our 2009 survey—from under 10 percent of all respondents to over 15 percent.
  - Once we add in the types of organizations that were not part of our sample at the time of our 2004 survey, the share of organizations not providing health benefits climbs to 20 percent, as noted earlier.

As reflected in Figure 6, a variety of explanations lie behind the decisions of organizations not to supply health benefits to their workers. In some organizations, employees are already covered by other plans held by spouses or significant others. In still others, employees prefer better wages to better health benefits.

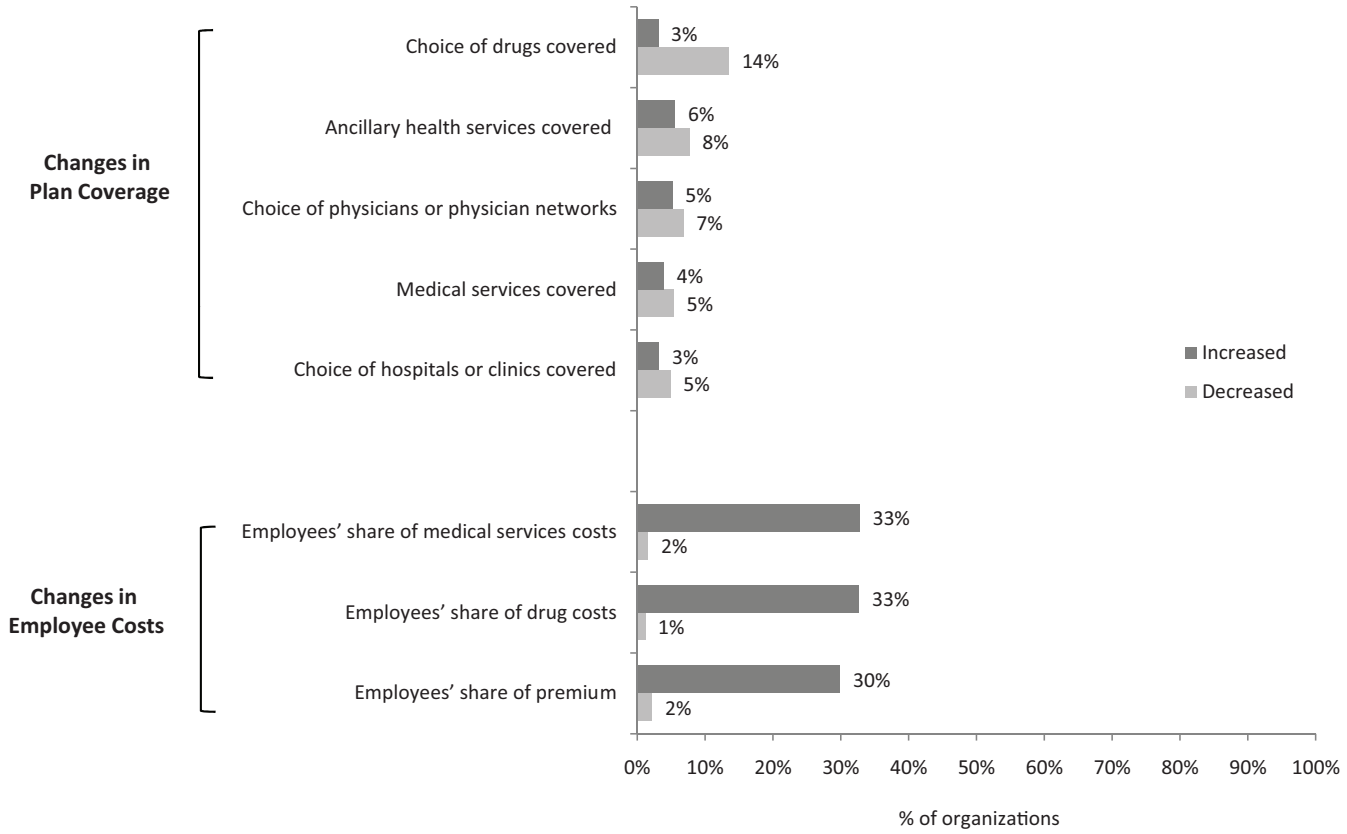
But one of the reasons that the vast majority (74 percent) of these organizations gave for their failure to offer health benefits to their workers was that the premiums were too high. In addition, about half of the organizations cited the inability of their employees to share the costs as an explanation.

Figure 6: Reasons organizations are not offering health benefits (n=66)



Source: Johns Hopkins Nonprofit Listening Post Project Health Benefits Sounding, 2009

Figure 7: Share of organizations making changes to their health benefit plans since the previous plan year (n=256*)



*Variation in N is due to missing responses

Source: Johns Hopkins Nonprofit Listening Post Project Health Benefits Sounding, 2009

- Even when they did not stop providing health benefits entirely, organizations found it necessary to reduce the coverage provided by their plans. Thus, as shown in Figure 7, in just the previous year:
  - Fourteen percent of the organizations decreased their drug coverage, eight percent reduced the ancillary health services covered (e.g., physical therapy, occupational therapy, etc.), and 7 percent constrained the choice of physicians.
  - These coverage reductions during the current year came on top of reductions made in previous years. Thus, our 2004 survey found that close to a quarter of responding organizations reported declines in coverage of drugs in that year and 10 percent recorded reductions in the medical services offered.
  - Some interesting differences were also evident in how organizations in different fields responded to these pressures. Generally speaking, as shown in more detail in Appendix Table B, elderly service and child-serving organizations were better able to resist reductions in coverage than were arts and culture organizations, perhaps because the arts and culture organizations have been more severely affected by the current economic crisis.

Shifting Costs to Employees

- In addition to reducing benefits, many organizations found it necessary to shift more of the costs of health benefits to their employees. Thus, as reported in Figure 7, in the past year alone:
  - One out of three organizations providing health benefit coverage increased their employee's share of drug and medical services costs.

- 30 percent increased their employee's share of healthcare premiums.

- These recent increases, too, came on top of prior shifts of healthcare costs to employees. Thus, already at the time of our 2004 survey:
  - 46 percent of organizations reported increasing their employees' share of drug costs in the previous year.
  - 42 percent reported increasing their employees' share of health insurance premiums; and
  - 41 percent reported increasing their employees' share of medical services.
- The largest organizations during the recent period were generally more likely than their smaller counterparts to increase their employee's share of healthcare costs, perhaps because they paid better wages to start with, but even here the ability of employees to absorb additional increases is questionable.
- While Michigan nonprofits most commonly relied on the same key coping strategies as the non-Michigan sample (i.e., increasing employees' share of medical, drug, and premium costs), they were significantly more likely than non-Michigan groups to increase their employees' share of medical services costs (42 percent vs. 33 percent) and to engage in other cost-cutting strategies, including limiting drug coverage (20 percent vs. 14 percent), limiting medical services covered (11 percent vs. 5 percent), and increasing participation in managed care networks (14 percent vs. 4 percent).

IV. Conclusion and Implications

America's health insurance crisis has become a crisis of survival for America's nonprofit organizations. Organizations that should be focused on relieving poverty, promoting self-sufficiency, educating children, helping families, and providing elderly care are instead being consumed with worries about how they will continue to maintain their workforce in the face of steadily escalating health benefit costs. Their only option—cutting benefits and shifting more of the costs to their workers—is itself self-defeating, significantly reducing one of the few tangible advantages that employment in the nonprofit sector brings with it and penalizing workers at precisely the time that new demands are being placed upon them.

Inevitably, these pressures cannot help but put the service and advocacy functions of these organizations at risk. As one survey respondent explained:

"This organization cannot afford to spend more funding on benefits without directly reducing services."

And this sentiment is shared by others as well.

Worse yet, this dimension of the nation's health insurance crisis has largely gone unnoticed by policymakers and the public at large. Much is made of the implications of health insurance inflation for the nation's small businesses. But nonprofit organizations are rarely thought of as "businesses" with employees who must be paid to survive and who need and deserve benefits. Yet the nonprofit "industry" employs one of largest workforces in the nation. What is more, this industry has generally been an enlightened employer, offering decent health and other benefits to a workforce that is generally underpaid by for-profit standards.

With health benefit costs rising rapidly, however, this relative enlightenment has become an enormous burden that threatens to undermine much of the good work these organizations do. Under these circumstances, the nonprofit sector has an enormous stake in the health reform debate that is currently engaging the country.

Hopefully, the information generated by this survey and summarized in this Communiqué will help alert policymakers and the media to this stake. More than that, we hope it will provide the foundation for a fuller consideration of how best to address the health benefit challenge facing nonprofits as the reform process moves forward.

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The views and interpretations expressed here are those of the authors and do not necessarily reflect those of any organizations with which they are affiliated or that support their work.

Appendix A: Project Background and Sample Information

1) Project Background

The Listening Post Project is a collaborative undertaking of the Johns Hopkins Center for Civil Society Studies and eleven partner organizations—Alliance for Children and Families, Alliance for Nonprofit Management, American Association of Homes and Services for the Aging, American Association of Museums, Community Action Partnership, League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, National Council of Nonprofits, the former National Congress for Community Economic Development, and United Neighborhood Centers of America. The Listening Post Project was launched in 2002 to provide more reliable and timely information on the major challenges facing U.S. nonprofit organizations and the promising approaches nonprofit managers are applying to cope with them.

2) Sampling Strategy

The project includes two national panels of grassroots nonprofit organizations on the front lines of nonprofit operation. The first is a "directed sample" of children and family service agencies, elderly housing and service organizations, community and economic development groups, museums, theaters, and orchestras recruited from the memberships of our partner organizations. The second is a "random sample" of organizations in these same basic fields selected from IRS listings of agencies or more complete listings suggested by our partner organizations where they were available. The random sample thus makes it possible to check on any possible distortion introduced by relying on the directed sample. In addition to the national samples noted above, the Listening Post Project has been developing a cross-section of state Listening Post samples. The first of these state samples, covering Michigan, has participated in the past four Soundings, since September 2008. The state sample includes organizations selected from among members of the Michigan Nonprofit Association as well as a parallel sample selected randomly from IRS listings of Michigan nonprofits in similar fields.

3) Sounding Distribution

The current Sounding was distributed to these panels on July 22, 2009 and closed on August 14, 2009. As Appendix Table A-1 demonstrates, the Sounding was distributed to 1,063 organizations (612 "directed" and 451 "random" groups), and 412 responded. The overall response rate was 39 percent, which is considered respectable for surveys of this magnitude in this sector. Because agencies self-selected into our sample from among member agencies of national umbrella organizations in their respective fields, we do not present the results as necessarily representative of the entire nonprofit sector. However, the sample agencies are distributed broadly across the nation and reflect reasonably well the known characteristics of the organizations representing the vast bulk of the resources, if not the vast bulk of the individual organizations, in their respective fields.

Appendix Table A-1: Health benefits response rate

	Total Sample	Directed Sample	Random Sample
Sample	1063	612	451
Respondents	412	244	168
Response Rate	39%	40%	37%

4) The Michigan Effect

A total of 227 surveys (to 101 "directed" and 126 "random" groups) were sent to the Michigan nonprofit organizations. Although the overall Michigan response rate was 37 percent, which is slightly lower than the response rate of the overall sample, the response rate from the directed group reached 42 percent (see Appendix Table A-2 for details on the Michigan sample). As Michigan respondents made up 23 percent of the overall sample and their actual representation in the overall population of organizations is just 3 percent, the sample was weighted to more accurately reflect the actual representation of Michigan nonprofits within the nation as a whole. Appendix Table A-3 illustrates the difference between the original sample and the weighted sample.

The analysis contained within this report uses the weighted sample as shown in Appendix Table A-3, as it provides a more accurate representation of the nonprofit sector in the nation.

Appendix Table A-2: Michigan sample, by field, size, staff size, and sample						
	Total		**Directed Sample**		**Random Sample**	
By Field	**N**	**%**	**N**	**%**	**N**	**%**
Child & Family Services	42	44%	28	53%	14	33%
Community & Economic Development	10	11%	6	11%	4	10%
Elderly Housing & Services	11	12%	4	8%	7	17%
Museums	3	3%	1	2%	2	5%
Orchestras	4	4%	3	6%	1	2%
Theaters	7	7%	1	2%	6	14%
Other	18	19%	10	19%	8	19%
Total	95	100%	53	100%	42	100%
By Size*						
<$500,000	40	44%	21	40%	19	50%
$500,000-3million	29	32%	21	40%	19	50%
>$3million	22	24%	14	26%	8	21%
Total	91	100%	53	100%	38	100%
By Staff Size*						
1-9 FTEs	24	41%	21	49%	3	19%
10-49 FTEs	21	36%	13	30%	8	50%
50-199 FTEs	10	17%	6	14%	4	25%
200+ FTEs	4	7%	3	7%	1	6%
Total	59	100%	43	100%	16	100%
*Size and staff size figures are not available for all organizations						

Appendix Table A-3: Health benefits sounding sample, organization characteristics								
Type of Organization	**Unweighted**		**Weighted**					
	Total Sample		**Total Sample**		**Directed Sample**		**Random Sample**	
By Field	**N**	**%**	**N**	**%**	**N**	**%**	**N**	**%**
Child & Family Services	128	31%	91	28%	55	28%	36	27%
Community & Economic Development	52	13%	43	13%	21	11%	22	17%
Elderly Housing & Services	63	15%	53	16%	38	19%	15	11%
Museums	51	12%	48	15%	26	13%	22	17%
Orchestras	67	16%	63	19%	53	27%	10	8%
Theaters	33	8%	27	8%	2	1%	25	19%
Other	18	4%	2	1%	1	1%	1	1%
Total	412	100%	327	100%	196	100%	131	100%
By Size*								
<$500,000	119	30%	82	26%	27	14%	54	44%
$500,000-3million	120	30%	94	30%	53	27%	41	34%
>$3million	157	40%	139	44%	113	59%	27	22%
Total	396	100%	315	100%	193	100%	122	100%
By Staff Size*								
1-9 FTEs	104	37%	83	36%	38	26%	44	55%
10-49 FTEs	70	25%	51	22%	31	21%	20	25%
50-199 FTEs	51	18%	42	18%	29	20%	13	16%
200+ FTEs	57	20%	53	23%	50	33%	3	4%
Total	282	100%	229	100%	140	100%	80	100%
By Region*								
Michigan	95	23%	10	3%	6	3%	4	3%
Rest of the Nation	317	77%	317	97%	191	97%	126	97%
Total	412	100%	327	100%	197	100%	130	100%
*Revenue and staff data are not available for all organizations								

Appendix B

Appendix Table B: Variations in response to rising health insurance costs, by field, size, sample, and region

	Total	Field of Activity						Size			Sample		Region
		Child & Family Services	Comm. & Econ. Dev.	Elderly Housing & Services	Museums	Orchestras	Theaters	<500,000	500,000-3million	>3million	Directed Sample	Random Sample	Michigan Sample
	n=256	n=81	n=31	n=48	n=33	n=42	n=18	n=35	n=79	n=136	n=169	n=87	n=66
Decreases in Coverage													
Choice of hospitals covered	5%	7%	3%	2%	3%	5%	6%	3%	5%	5%	4%	6%	6%
Choice of physicians or physician networks	7%	10%	6%	0%	6%	7%	11%	6%	9%	6%	6%	8%	6%
Choice of drugs covered	14%	12%	13%	8%	21%	12%	22%	12%	18%	11%	14%	14%	20%
Medical services covered	5%	6%	3%	4%	3%	7%	11%	9%	8%	3%	5%	7%	11%
Ancillary health services covered (e.g., physical therapy, occupational therapy, chiropractors, etc.)	8%	5%	10%	4%	3%	14%	18%	11%	13%	3%	8%	7%	8%
Increases in Costs													
Employees' share of premium	30%	42%	31%	35%	18%	17%	11%	9%	15%	44%	34%	22%	30%
Employees' share of medical services costs	33%	39%	29%	35%	36%	22%	22%	21%	30%	38%	33%	32%	42%
Employees' share of drug costs	33%	38%	35%	41%	26%	22%	22%	11%	26%	36%	31%	36%	38%

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