

Work at your own Risk: Freelancers Pay the Price

by Swanee Hunt, Scripps Howard News Service, January 4, 2006

Cary moved to New York City ten years ago to pursue a career as a dancer. Now she performs with a number of modern dance companies and teaches movement in public schools. In the dance industry, Cary's lifestyle is common. Most dance companies can't guarantee paychecks year-round, so many performers need to freelance. At 35, Cary loves the independence but finds it's a challenge making ends meet. In addition to performing and teaching, she's waited tables and now works for several arts organizations. Even with multiple jobs, she earns between \$20,000 and \$25,000 a year.

Until recently, Cary had gone without health insurance since college-more than 10 years. Enter Sara Horowitz, with her brainchild, the Freelancers Union. The daughter of a labor lawyer and granddaughter of a leader in the Ladies Garment Workers' Union, Horowitz went to law school and became a labor attorney and union organizer with the National Health and Human Service Employees Union. She's part of a new generation of labor leadership with revolutionary plans to empower the independent workforce by building what she calls "the new New Deal."

Sara is creating a delivery system for coverage designed for a nontraditional labor force. Without the safety net of employer-sponsored benefits, freelancers like Cary reveal the fatal flaws in our system, she says. "As we see our healthcare system eroding, independent workers are the proverbial canaries in the coal mine."

It's common knowledge that with costs rising, insurance has become a major workforce problem-for companies and workers. Employers are cutting jobs, reducing benefits, or eliminating coverage altogether. Some are shifting full-time employees into contract work. That means a growing number of independent workers-30% of the American labor force-don't get health insurance through their jobs. They can't afford premiums on the individual market, so they eat an apple a day and look both ways before crossing the street.

Traditionally, these independent workers were mostly women and people of color who earned low wages. But since the 1970s, industries like publishing, media, and financial services have shifted hundreds of thousands of middle-income employees into freelance work. If there's any good news here,

it's that as the burden falls on the middle class, we might finally do something about the healthcare needs of the poor.

Recognizing nontraditional workers as a key, if overlooked, component of the new economy, Sara Horowitz founded the Freelancers Union in 2001. She's a busy woman, arbitrating employment disputes and serving on the Task Force on Restructuring American's Labor Market Institutions. But the Freelancers Union is Sara's crown jewel. In New York City, the organization negotiated a group insurance rate for low-cost health, dental, life and disability coverage. Best of all, benefits are linked to individuals, rather than employers, so members can move from job to job and project to project without losing their insurance. The coverage costs less than half the price of the average HMO, so it's not surprising the union has over 15,000 members.

Cary remembers the day she finally got healthcare coverage through the Freelancers Union. "I was in tears when I got my insurance," Cary remembers. "My mother had been bugging me for years to do something." But there's still retirement to consider. She's only saved \$4,000, half of which was a gift from her parents 10 years ago. With experts predicting that Social Security funds will dry up around 2041, it's a big concern for her. "As I get older, I become more worried about the lack of Social Security... and my own investing in retirement or, even more immediately, affording a family."

For Cary and tens of thousands of other independent workers in New York, the Freelancers Union has helped them breathe a little easier. But Sara Horowitz's vision is about far more than just providing services. She's launched a labor revolution. Members of the Freelancers Union consider themselves a vehicle for social change and are working together as an organized constituency. Almost 3,000 of them participated in the union's recent campaign to show thought leaders, policymakers, and the public about how freelancers are faring and where our social safety net is failing them. As Sara Horowitz says about the Freelancers Union: "Our success is the success of the freelancer. It serves as a reminder that when banded together, this group is a force to be reckoned with."