

MEASURING THE DAMAGE, PART 2

The Effects of the Loss of Healthcare at the Trump Taj Mahal

Executive Summary

Local 54 conducted a survey of its members at the Taj Mahal in March 2015, and found that forty-four percent (44%) of those surveyed had no health insurance, and an additional 23% were relying on government subsidies to pay for insurance.

In March 2016, Local 54 conducted a follow-up survey, collecting responses from just under 500 Taj Mahal workers.¹

This report shows the impact that the loss of health insurance has had on the workers at the Taj Mahal and their families. In particular, it finds:

- **“Broke – Can’t get treatment”²:** The largest group, 33%, still have no insurance. Just under 50% of Local 54 members are now receiving taxpayer-subsidized insurance either through Obamacare, Medicare or Medicaid.
- **“All money goes to healthcare; losing apartment”:** The average premium the Taj Mahal workers are paying for Obamacare is \$204 per month, with a deductible that averages \$2,455.
- **“Have to cut down on medicine due to not being able to afford”:** 72% have serious medical conditions affecting themselves or their families that have been impacted by the loss of UNITE HERE Healthcare.
- **“Almost homeless”:** 82% have had difficulties paying essential bills.

Background: Hard Times in America’s Playground

In 2014, between January and September, four Atlantic City casinos closed their doors. The three September closures coincided with the expiration of UNITE HERE Local 54’s collective bargaining agreements with all Atlantic City casinos. With two exceptions, the remaining casinos agreed to extend the contracts. The only holdouts were two properties controlled by Carl Icahn: the Trump Taj Mahal and the Tropicana.

After Trump Taj Mahal filed for Chapter 11 reorganization in the Delaware Bankruptcy Court, Icahn’s lawyers convinced the bankruptcy judge to void Local 54’s contract, bypassing the collective bargaining process. As a result, the workers at the Taj Mahal lost their pension, their paid breaks, and most importantly, their healthcare.

Carl Icahn compared the Taj Mahal workers to “spoiled kids” in a 2014 interview:

So it’s like if – if – if you’re a spoiled kid and – and your family keeps giving you a big car and a big house and you’re living really good and then the father loses a lot of his money. The kid says no, I don’t want to give up my car. I don’t want to give up my house. Everybody has to make concessions and give up, and they just don’t want to do it.³

The historical fact is that Local 54 members had made multiple concessions over the previous decade. For example, the most senior workers have seen only \$0.80 per hour in raises since 2004. Workers chose to forgo wage increases and to give up other benefits in order to preserve health insurance for themselves and their families.

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Healthcare Survey Results

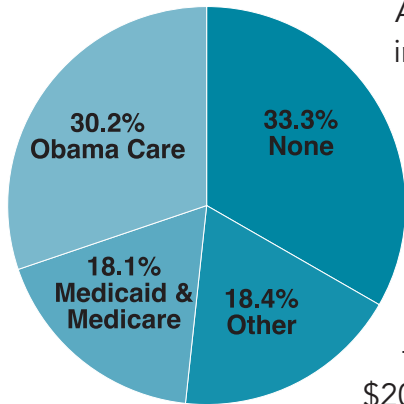
The almost 500 people who completed the survey answered questions about their health and health insurance including: “what health insurance do you currently have?”, “How much are you paying a month for health coverage?”, “what is your annual family deductible?” and “Do you or a member of your family have any serious medical conditions that you are not treating the way you used to before the Taj Mahal eliminated health insurance?”.

In addition to these questions, respondents had an open-ended question, “Are there any other ways the crisis at the Taj has impacted you and your family’s lives?”

The answers to these questions illustrate the impact of the loss of health care for the Taj Mahal workers.

“Broke – Can’t get treatment”:

Almost half on Government-subsidized insurance, one-third have none



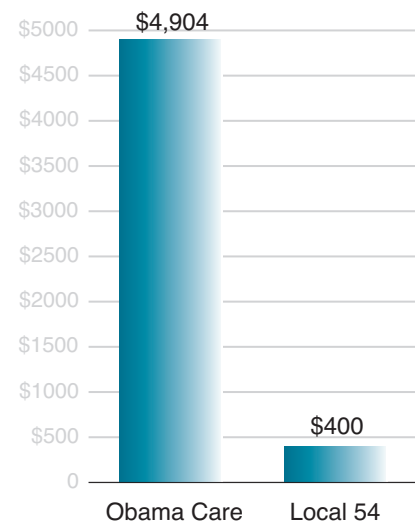
As this chart shows, the single largest category of health insurance is “none” at 33.3%. The percentage of people relying on government-subsidized insurance increased from 23% to almost 50% (Obamacare and Medicaid & Medicare).

But even for those who have health insurance, the financial burden of the new coverage is oppressive. The average monthly premium payment for those receiving health insurance from Obamacare is \$204. On top of that, the average annual deductible is \$2,455.⁴ In contrast, the union-sponsored health insurance has \$0 premium payments and \$400 annual deductible.

“All money goes to healthcare; losing apartment”: Health Insurance Costs Skyrocket for Taj Mahal Workers

In January of 2015, Carl Icahn wrote that, “ObamaCare and Medicaid provide health coverage at a fraction of the cost of the coverage provided under the existing UNITEHERE Health plan.”⁵ While Carl Icahn has reduced his costs down to “a fraction” of what they were, the cost is now being borne by taxpayers who are subsidizing the nearly 50% of Local 54 members at the Taj Mahal who currently rely on government healthcare programs. Healthcare expenses have ballooned to an average of almost \$2,450 with an average deductible of \$2,455. No wonder that 82% of survey respondents reported having difficulties paying essential bills, such as mortgage payments, car insurance, and even buying groceries.

Annual Cost of Health Insurance Skyrockets for Taj Mahal Workers



It is truly perverse that taxpayers and service workers who make an average of \$12.42 are subsidizing the business of a man who recently made \$2 billion in profits by selling his shares of Apple.⁶

**“Have to cut down on medicine due to not being able to afford”:
Serious medical conditions are not being treated as they once were**

Almost 72% of respondents reported that their serious medical conditions,⁷ ranging from cancer and heart disease to risk factors such as high cholesterol, have been impacted by the loss of their Local 54 health plan. The bottom line is clear, workers and their families are not receiving the same care that they were before Carl Icahn eliminated health insurance at the Taj Mahal.

Voices of Workers

Recently, the *Press of Atlantic City* wrote, “jobs with good benefit levels were a central goal of legalized gambling in New Jersey.”⁸

The final question on the survey asks “are there any other ways that the crisis at the Taj has impacted you and your family’s lives?”

The answers show the impact of having a job “with good benefit levels” transformed into one without benefits.

“Healthcare is the most important thing – especially when you have children”

“Unbearable 18 months of torture”

“I am making less and paying more”

“Have to cut down on medicine due to not being able to afford”

“All money goes to healthcare/ losing apartment”

“Almost homeless”

“I was forced to give up my house. Buying less food, can’t help my child with school.”

“Used up savings”

“My home is going to go into foreclosure”

“Exhausted all of my retirement savings”

“Healthcare is the most important thing – especially when you have children”

Conclusion

The workers of the Taj Mahal are not rich, making on average \$12.42 an hour. They have not been blind to the struggles Atlantic City has been facing. They have sacrificed to keep the Taj Mahal open. When asked to give, they gave. They sacrificed pay increases and other benefits in order to maintain health insurance for themselves and their families.

The gaming industry is different from every other industry in New Jersey. It is the only one that the citizens of the state voted to allow. As the *Press* reminds us, “jobs with good benefit levels were a central goal of legalized gambling in New Jersey.” Every casino in Atlantic City provides Local 54 members with “good benefit levels”—except the Taj Mahal. And the impact on the men and women who work there has been devastating.

1 Methodology: We surveyed 488 members. Twenty-five of the surveys were not included in the results either because the respondents indicated having more than one type of health insurance or because the answers to the questions “how much are you paying each month for healthcare coverage?” or “what is your annual family deductible?” appeared to be in error (e.g. an annual deductible of more than \$20,000).

With regard to the questions about medical conditions and bills, we counted non-responses as “no.”

2 This quote and other unattributed quotes in the executive summary come from workers’ comments in the 2016 survey.

3 <http://www.valuewalk.com/2014/10/carl-icahn-robin-hood-2014/2/>.

4 With medians of \$195 and \$2,000 respectively.

5 “Letter Responding to Local 54 Employees of Taj Mahal.” January, 30, 2015. <http://carlicahn.com/letter-responding-to-local-54/>.

6 Marcial, Gene, “Should Investors follow Carl Icahn’s exit from Apple?” CBS Money Watch, May 2, 2016. <http://www.cbsnews.com/news/should-investors-follow-carl-icahns-exit-from-apple/>.

7 Serious medical conditions include Cancer, Asthma, Diabetes, Heart Disease, Hepatitis, COPD, Hypertension, High Cholesterol, Pregnancy, and Dental/Vision.

8 Editorial, “Casino workers union prepared for this challenging year.” *Press of Atlantic City*, April 25, 2016