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## Sticker Shock

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PEABODY — Businesses and consumers are feeling overwhelmed by the increasing costs of living and health insurance, lawmakers and business leaders said yesterday.

"I asked an elderly resident how he was handling everything, and he started to cry," said Peabody Mayor Michael Bonfanti during a North Shore Chamber of Commerce meeting at North Shore Bank yesterday. "He said he didn't know how he could continue to afford to pay the pharmacy or for heating and keep his house. He's lived in this town for 42 years."

Of all Massachusetts counties, Essex County had the largest increase in foreclosures, up 46 percent, between the second quarter of 2003 and 2005, which ended in June. Suffolk County came in second with a 45.13 percent increase and Norfolk County is third with a 39.73 percent increase, according to ForeclosuresMass, a data collection firm.

As of yesterday, 230 foreclosures were posted on ForeclosuresMass' Web site for Essex County with the highest amount, 35, listed in Lynn. Other North Shore communities ranged from Danvers with 11 and Hamilton with none.

Lawmakers like state Rep. Ted Speliotis, who also took part in yesterday's chamber legislative forum, blame the spike in foreclosures in part on debt.

"The number of foreclosures has increased this year because a lot more people are charging more and taking on more debt," he said. "We're also seeing revenue increasing across businesses, people are spending money, but you are not seeing any corresponding rise in salaries."

That, coupled with escalating income taxes and energy and medical costs, are among the reasons more and more people are moving out of Massachusetts. Local businesses are suffering as a result, as the majority of those leaving are of working age, between 20 and 60, according to legislators at the event.

"Years ago, people came to college here and stayed to work and live here. They're not doing that as much today," Speliotis said. "My daughter's college roommates are from all over the world, and they're choosing not to stay here. We are losing in many ways because of the costs of living here."

Those costs include health insurance, which some individuals and small businesses are going without, some by choice, putting the burden on local hospitals and those with insurance to pay for their care, legislators said.

"Self-employed or small business owners, even individuals are choosing to put food on the table and a roof over their family's head and opting to pass over health insurance," Bonfanti said. "What this does, however, is pass the cost onto hospitals and the insured when something does happen to the uninsured. We need to find a balance here."

North Shore businesses aren't alone when it comes to health insurance, or lack thereof. A national study conducted this year by the Kaiser Family Foundation and Health Research and Educational Trust found that only three in five employers, or 60 percent, offered health coverage to workers in 2005.

The North Shore Chamber has 1,500 business members, many of which have found it necessary to pass on medical costs to employees, said Al Foisy, the chamber's vice president of legislative affairs.

"How can any business sustain itself if they are paying up to 65 cents of every dollar they make on health insurance?" Foisy said. "That's like spending 10 bucks a week and only making 15 bucks a week. Eventually it's going to catch up to you."

Human resources manager Jim Clossen of Middleton-based manufacturer Bostik Inc. said small employers continue to see double-digit increases in health care costs.

"We have a buffer here since we are part of a large parent company, but smaller employers are seeing increases up to 18 percent in health care costs," Clossen said. "As for larger companies, the days of 100 percent coverage are clearly over, but many still cover a significant-enough portion of health costs."

Cities and towns are feeling the pinch of health insurance as well. The city of Peabody will pay \$18.5 million this year in health insurance costs, a 15 percent chunk of its \$120 million budget.

For state Rep. Joyce Spiliotis, Hurricane Katrina made it clear that the Massachusetts health-care industry is not prepared for a large-scale natural disaster.

"We only have 19 insurance companies here in Massachusetts and if we had a natural disaster on the scale of Katrina, it would wipe them out," Spiliotis said.

### **Essex County foreclosures**

The number of foreclosures on properties in selected North of Boston communities in the last 60 days. A total of 230 were posted at [www.foreclosuresmass.com](http://www.foreclosuresmass.com) as of yesterday.

Danvers: 11

Salem: 10

Peabody: 9

Beverly: 7

Marblehead: 3

Ipswich: 1

Source: [Foreclosuresmass.com](http://Foreclosuresmass.com)