



# EPI BRIEFING PAPER

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## EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE CONTINUES TO DECLINE IN A NEW DECADE

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**T**he current economic environment highlights the degree to which Americans under age 65 rely on a healthy labor market for almost all facets of economic security—particularly access to health care. While the Great Recession officially ended in the summer of 2009, the labor market continued to deteriorate into 2010 and stagnated in 2011. The unemployment rate went from 9.3 percent in 2009 to 9.6 percent in 2010 and then to 8.9 percent in 2011.<sup>1</sup>

Most Americans, particularly those under age 65, rely on health insurance offered through the workplace. Thus, given these unemployment trends, it comes as no surprise that the share of Americans under age 65 covered by employer-sponsored health insurance (or ESI) eroded for the 11th year in a row in 2011, falling from 58.6 percent in 2010 to 58.3 percent. The situation started deteriorating long before the Great Recession: The share of Americans under age 65 covered by ESI eroded every year from

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2000 to 2011, decreasing by a total of 10.9 percentage points. As many as 29 million more people under age 65 would have had ESI in 2011 if the coverage rate had remained at the 2000 level (69.2 percent).

No demographic or socioeconomic group has been spared from the erosion of job-based insurance from 2000 to 2011. Both genders and people of all ages, races, and education levels have suffered declines in employer-based coverage. Workers across the wage distribution, in small and large firms alike, and even those working full time and in white-collar jobs have also lost coverage.

The decline in ESI coverage has been accompanied by an overall decline in health insurance coverage. The number of uninsured non-elderly Americans was 47.9 million in 2011—11.7 million higher than in 2000. The share of non-elderly without insurance increased from 14.7 percent in 2000 to 17.9 percent in 2011. Increasing *public* insurance coverage, particularly among children, is the only reason the uninsured rate did not rise one-for-one with losses in ESI. In addition, key components in the Patient Protection and Affordable Care Act (also known as health reform) took effect in 2010, shielding young adults from further coverage losses.

This briefing paper begins by documenting the decline in ESI coverage among the entire under-65 population. It then examines at length a smaller subset of this population, workers age 18 to 64—an increasing share of whom have lost ESI as well as other forms of health insurance. It next analyzes declining rates of ESI coverage for children—and argues that if not for public insurance, the overall coverage rate among children would have fallen. This briefing paper then explores the role of the Patient Protection and Affordable Care Act in expanding insurance coverage, particularly among young adults. It concludes by detailing the ESI situation across all 50 states and the District of Columbia.

This report's central findings include:

- In 2011, the share of non-elderly Americans with employer-sponsored health insurance declined for the 11th year in a row, falling from 58.6 percent in 2010 to 58.3 percent. Since the ESI coverage rate in 2000 was 69.2 percent, the total decline from 2000 to 2011 was 10.9 percentage points. In 2011, 14.2 million fewer non-elderly Americans had ESI than in 2000.
- As many as 29 million more people under age 65 would have had ESI in 2011 if the ESI coverage rate had remained at its 2000 level.
- Workers age 18 to 64 lost job-based coverage, with ESI coverage declining 3.4 percentage points from 2007 (the last business cycle peak) to 2011. Among strongly attached workers (those who worked at least 20 hours per week for at least half the year), service-sector workers had the lowest rates of coverage from their own job and experienced the largest declines from 2007 to 2011. Strongly attached workers in small firms are far less likely to have ESI coverage than those in large firms.
- Children's employer-sponsored insurance coverage (obtained through their parents) fell 12.0 percentage points from 2000 to 2011, and the gap in ESI access for children by income widened substantially over this period.
- The decline in ESI coverage from 2000 to 2011 was nationwide, with a statistically significant decrease in non-elderly coverage in all but one state. No state had an increase in the share of its under-65 population with ESI coverage over this period.
- The decline in ESI coverage has been accompanied by an overall decline in health insurance coverage. In 2011, 47.9 million people under age 65 were uninsured, 11.7 million more than in 2000.
- Workers age 18 to 64 were nearly 30 percent more likely to be uninsured in 2011 than in 2000. Uninsured workers are disproportionately young, Hispanic, less educated, and have lower incomes. The

gap between coverage of full-time and part-time workers grew substantially from 2000 to 2011.

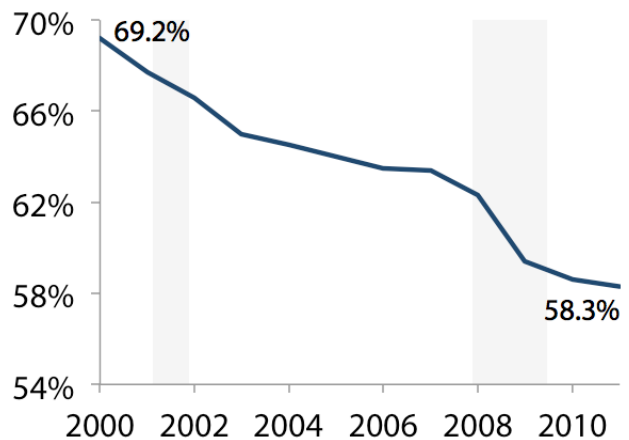
- Public health insurance is responsible for keeping millions from becoming uninsured, as job-based coverage sharply declined from 2000 to 2011. Public insurance covered 25.0 million more people under age 65 in 2011 than in 2000.
- Critical provisions in the Patient Protection and Affordable Care Act, informally known as health reform, have helped offset the declines in ESI coverage by insuring young adults through their parents' health insurance policies.
- Though health reform will substantially insure more Americans (especially as the 2014 insurance exchange provisions take effect), a weak labor market will likely lead to further ESI losses in the next couple of years.

## Overall health insurance trends among the entire under-65 population

For the entire under-65 population in the United States, employer-sponsored health insurance remains the predominant form of coverage; 58.3 percent of this population is covered by ESI. However, as shown in **Figure A**, coverage through work eroded each year from 2000 to 2011, declining by a total of 10.9 percentage points. This is not solely due to unfavorable economic conditions: ESI fell 5.8 percentage points even over the previous full business cycle, from the cycle's peak in 2000 to its peak in 2007. Declines continued even after the recession ended in 2001 and the economy expanded. These losses in the share of the under-65 population with ESI coverage moderated considerably as the economy finally began adding jobs in 2003, but never reversed. The relatively small declines in coverage over the economic expansion expanded as the recession took hold in 2008 and grew to even larger declines as the unemployment rate soared in 2009 and continued to stay high through 2011.

FIGURE A

Share of the under-65 population with employer-sponsored health insurance, 2000–2011



Note: Shaded areas denote recessions.

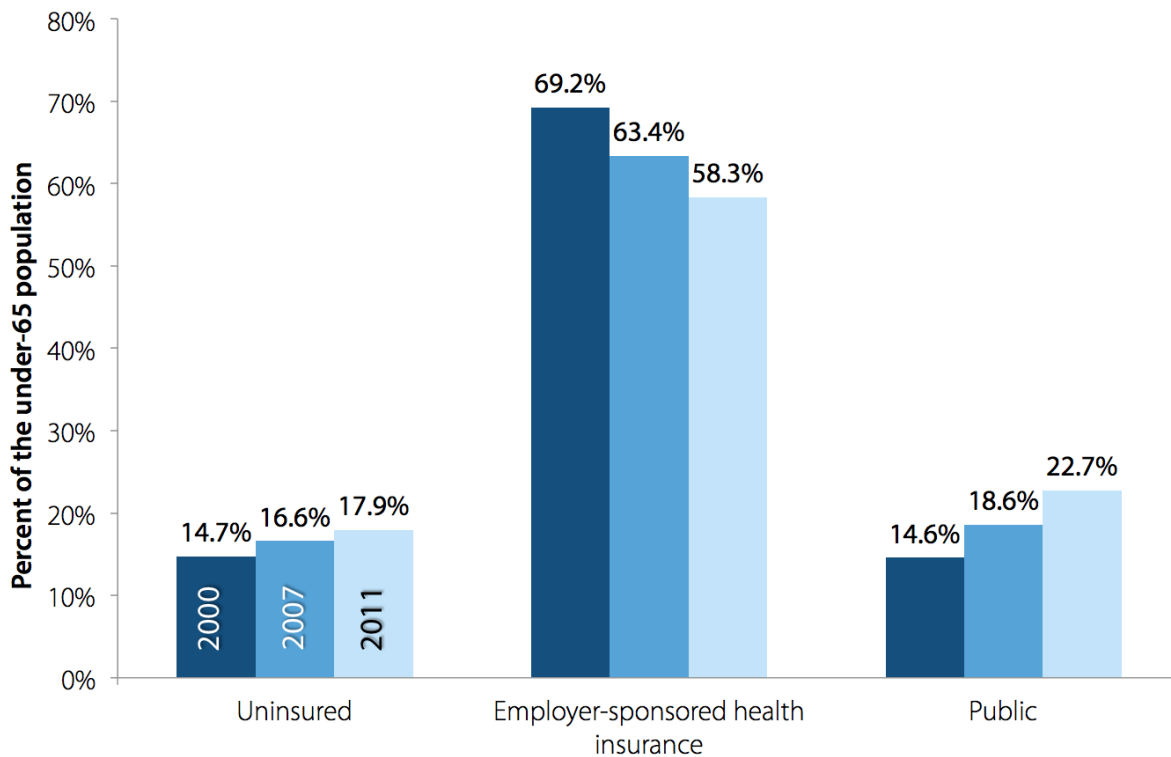
Source: Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

While for many Americans a loss of ESI means they effectively have no health insurance, the increase in uninsured Americans was not as steep as the fall in ESI (**Figure B**). In 2011, the share of those under age 65 who were uninsured was 17.9 percent. It increased by 1.8 percentage points from 2007 (when the recession began) to 2010, then fell slightly by 0.5 percentage points from 2010 to 2011. From 2000 to 2011, the uninsured rate rose 3.2 percentage points. In 2011, 47.9 million people under age 65 were uninsured, up by roughly 4.5 million people since the business cycle peak in 2007. The number of uninsured non-elderly Americans was 11.7 million higher in 2011 than it was in 2000.

While the data do not track individuals over time to see what happens to specific people as they lose ESI, it is clear that overall coverage rates would have fallen further had there not been increases in public coverage, including Medicaid, the Children's Health Insurance Program (CHIP), and Medicare. Public insurance covered 25.0 million more people under age 65 in 2011 than in 2000. As shown in **Figure B**, public coverage increased 4.2 percentage points from 2007 to 2011 and 8.2 percent-

FIGURE B

Sources of health insurance coverage for the under-65 population, 2000, 2007, 2011



Source: Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

age points from 2000 to 2011, partially offsetting losses in ESI. Non-group or direct purchase insurance coverage (not shown) remained relatively flat over the entire period, failing to compensate for the losses in ESI.

Although declines in the share of the under-65 population covered by ESI shrank due to economic growth in the mid-2000s, the losses grew in 2008 as the recession took hold. The steepest declines since the previous peak in 2007 occurred in 2009—a sharp drop of 2.9 percentage points—but the decline continued in 2010 as the unemployment rate continued to rise and even as the unemployment rate fell slightly in 2011. ESI coverage declined 5.1 percentage points between 2007 and 2011 (Table 1). This resulted in a total loss of 10.9 percentage points from 2000 to 2011. Just under a half a million fewer people under age 65 had ESI in 2011 than in 2010; 14.2 million fewer had this coverage in 2011 than in 2000. It is

important to note that these numbers fail to show the true extent of the erosion because they ignore population growth from 2000 to 2011. As many as 29 million more people under age 65 would have had ESI in 2011 if the coverage rate had remained at the 2000 level.

Coverage losses occurred across all age groups, but young adults (age 18–24) consistently have the lowest rates of coverage. Less than half of this group receives health insurance through the workplace—though the Patient Protection and Affordable Care Act has stemmed these losses since 2010, when the provision allowing young adults to stay on or join their parents' ESI took effect. (For more on this, see the *Health reform and coverage among young adults* section of this briefing paper.)

The greatest declines in ESI were among children (age 0–17) and prime-working-age adults (age 25–54), both with a 12.0 percentage-point drop from 2000 to 2011.

TABLE 1

### Employer-sponsored health insurance coverage for the under-65 population, by various characteristics, 2000–2011

	SHARE WITH ESI				PERCENTAGE-POINT CHANGE			
	2000	2007	2010	2011	2000–2007	2007–2011	2010–2011	2000–2011
<i>Under-65 population</i>	69.2%	63.4%	58.6%	58.3%	-5.8	-5.1	-0.3	-10.9
<b>Age</b>								
<i>0–17</i>	66.7%	59.8%	54.8%	54.7%	-6.9	-5.1	-0.1	-12.0
<i>18–24</i>	55.1%	50.1%	45.7%	46.3%	-5.0	-3.8	0.6	-8.8
<i>25–54</i>	73.8%	67.4%	62.2%	61.8%	-6.4	-5.6	-0.4	-12.0
<i>55–64</i>	68.9%	68.0%	64.5%	63.5%	-0.9	-4.5	-1.0	-5.4
<b>Gender</b>								
<i>Male</i>	69.1%	63.1%	58.3%	58.3%	-6.0	-4.8	0.0	-10.8
<i>Female</i>	69.3%	63.7%	58.9%	58.4%	-5.6	-5.3	-0.5	-10.9
<b>Race</b>								
<i>White, non-Hispanic</i>	76.2%	71.2%	67.1%	66.8%	-5.0	-4.4	-0.2	-9.4
<i>Black, non-Hispanic</i>	57.5%	52.6%	45.5%	46.7%	-4.9	-5.9	1.2	-10.8
<i>Hispanic</i>	47.3%	42.1%	39.4%	38.8%	-5.2	-3.3	-0.6	-8.5
<i>Other</i>	65.8%	62.7%	57.9%	57.4%	-3.1	-5.3	-0.6	-8.4
<b>Nativity</b>								
<i>Native born</i>	71.2%	65.6%	60.5%	60.3%	-5.6	-5.3	-0.2	-10.9
<i>Foreign born</i>	53.8%	48.3%	45.9%	45.2%	-5.5	-3.1	-0.7	-8.6
<b>Education*</b>								
<i>Less than high school</i>	40.3%	30.8%	28.3%	27.0%	-9.5	-3.8	-1.2	-13.3
<i>High school</i>	66.8%	57.1%	50.6%	50.3%	-9.7	-6.8	-0.3	-16.5
<i>Some college</i>	74.1%	67.5%	60.8%	59.8%	-6.6	-7.7	-0.9	-14.3
<i>College</i>	83.9%	80.3%	76.7%	76.5%	-3.6	-3.8	-0.2	-7.4
<i>Post-college</i>	88.0%	85.8%	83.9%	83.7%	-2.2	-2.1	-0.2	-4.3
<b>Household income fifth</b>								
<i>Bottom</i>	29.2%	22.1%	15.6%	15.8%	-7.1	-6.3	0.2	-13.4
<i>Second</i>	63.1%	54.1%	44.7%	43.1%	-9.0	-11.0	-1.6	-20.0
<i>Middle</i>	78.1%	72.2%	67.0%	65.7%	-5.9	-6.5	-1.3	-12.4
<i>Fourth</i>	86.7%	82.5%	80.4%	80.4%	-4.2	-2.1	0.0	-6.3
<i>Top</i>	89.2%	87.3%	85.5%	86.9%	-1.9	-0.4	1.4	-2.3

\* Education reflects own education for individuals 18 and older and reflects family head's education for children under 18.

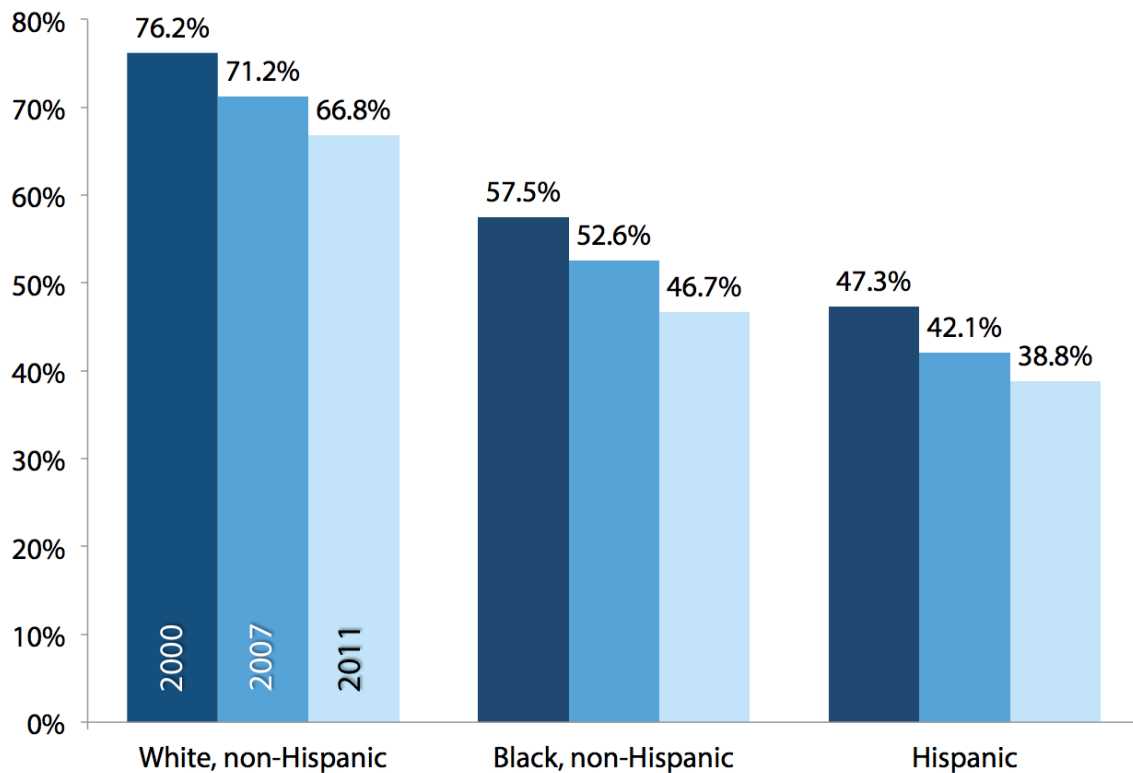
**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

Coverage declined for males and females alike and across racial and ethnic classifications. As depicted in **Figure C**, racial and ethnic disparities in coverage have persisted

over time, with non-Hispanic whites in 2011 experiencing rates of ESI coverage 72 percent higher than those of Hispanics and 43 percent higher than those of blacks.

FIGURE C

Share of the under-65 population with employer-sponsored health insurance, by race and ethnicity, 2000, 2007, 2011



Source: Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

Table 1 shows that ESI coverage among the native born is 34 percent higher than among the foreign born, though the native born experienced larger losses since the last business cycle peak in 2007.

Educational attainment is correlated strongly with employer-based coverage; those with advanced degrees are three times more likely to have ESI than those with less than a high school education.<sup>2</sup> Just over half (50.3 percent) of those with a high school degree but no additional education have job-based coverage, compared with more than three-fourths (76.5 percent) of those with a college degree but no additional education.

As with education, higher household incomes are strongly associated with an increased likelihood of having employer-sponsored insurance coverage. In 2011, only

15.8 percent of those with household incomes in the bottom fifth had ESI, compared with 86.9 percent of those in the top fifth—a five-and-a-half-fold difference in the likelihood of being insured through work. Each income group experienced losses from 2000 to 2011; however, the declines were much greater for those at the bottom of the income scale. Those in the second-lowest fifth fared the worst following the onset of the recession, experiencing a decline of 11.0 percentage points from 2007 to 2011, and a total decline of 20.0 percentage points from 2000 to 2011. While in percentage-point terms the bottom fifth fell less far than the second-lowest fifth from 2000 to 2011 (13.4 percentage points versus 20.0 percentage points), the rate of coverage for the bottom fifth fell 46 percent over this period, compared with 32 percent for the second-lowest fifth and 3 percent for the top fifth.

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## Declining coverage for workers age 18 to 64

After having documented the decline in ESI coverage among the entire under-65 population, this briefing paper will now examine a smaller subset of this population: workers age 18 to 64. It first details the decline in ESI among these workers; it then examines the increase in the share of these workers without any form of health insurance, ESI or otherwise.

### *Employer-sponsored health insurance*

Employer-sponsored health insurance coverage is higher among workers age 18 to 64 (68.2 percent) than among the under-65 population in general (58.3 percent). As shown in **Table 2**, workers' declines in coverage have also been smaller—7.6 percentage points from 2000 to 2011 (compared with 10.9 percentage points for the entire under-65 population) and 3.4 percentage points from 2007 to 2011 (compared with 5.1 percentage points). The most recent trends are unsurprising given that ESI is secured via work; therefore, when workers lose employment, they often lose the health coverage that goes with it (unless they keep insurance as a retiree or a spouse, or never had it in the first place). However, coverage also fell by 4.2 percentage points over the full business cycle from 2000 to 2007, increasing in only one year, from 2006 to 2007 as the economy expanded. Therefore, the 3.4 percentage-point decline from 2007 to 2011 can be attributed partially to the start of the recession in December 2007 and partially to the overall trend of declining coverage.

Male workers have slightly lower rates of ESI coverage than female workers (67.2 percent versus 69.4 percent), but women experienced larger declines from 2007 to 2011. Similar to the overall under-65 population, large disparities exist in ESI coverage for workers by race and ethnicity. Nearly three-fourths of white non-Hispanic workers are covered, compared with less than half of Hispanic workers. Racial disparities in coverage widened

since the last business cycle peak in 2007; the coverage rate for white non-Hispanic workers declined 2.7 percentage points from 2007 to 2011, in contrast to a 4.1 percentage-point decline for black non-Hispanic workers. While black workers have higher rates of coverage than Hispanic workers, both fell the same amount from 2000 to 2011: 7.2 percentage points.

Native-born workers are 37 percent more likely to be covered than foreign-born workers, and the coverage gap between 2000 and 2011 widened to 19.2 percentage points.

Workers with a four-year college degree (but no additional education) have far higher rates of employment-based coverage than workers with a high school degree (but no additional education), at 80.0 percent and 61.5 percent, respectively. In addition, from 2000 to 2011, high school-educated workers experienced declines nearly twice as large as those of workers with a college degree (11.7 percentage points versus 5.9 percentage points).

Workers earning lower hourly wages are significantly less likely to have employer-sponsored health insurance than those earning higher wages; however, even those at the high end of the wage scale experienced declines in coverage over 2000–2011.<sup>3</sup> Only 41.3 percent of those in the bottom fifth, making at or below \$9.62 an hour, have ESI, while 85.4 percent of those in the top fifth, with hourly earnings at or above \$30.77, have coverage. Disparities in coverage by wage levels widened over 2000–2011, with those in the top wage fifth being 74 percent more likely to be covered than those in the bottom fifth in 2000, but 107 percent more likely in 2011.

Full-time workers have ESI at far higher rates than part-time workers (72.9 percent versus 49.1 percent). Furthermore, part-time workers experienced a sharper decline in coverage since the start of the recession, with a decrease of 6.4 percentage points from 2007 to 2011. Over 2000–2011, their coverage fell 12.5 percentage points. The gap between full-time and part-time workers grew



TABLE 2

### Employer-sponsored health insurance coverage for workers 18–64 years old, by various characteristics, 2000–2011

	SHARE WITH ESI				PERCENTAGE-POINT CHANGE			
	2000	2007	2010	2011	2000–2007	2007–2011	2010–2011	2000–2011
<i>All workers</i>	75.8%	71.6%	68.5%	68.2%	-4.2	-3.4	-0.3	-7.6
<b>Gender</b>								
<i>Male</i>	74.8%	69.9%	67.1%	67.2%	-4.9	-2.7	0.1	-7.6
<i>Female</i>	76.8%	73.4%	70.1%	69.4%	-3.4	-4.0	-0.7	-7.4
<b>Race</b>								
<i>White, non-Hispanic</i>	80.4%	76.8%	74.2%	74.1%	-3.6	-2.7	-0.1	-6.3
<i>Black, non-Hispanic</i>	69.8%	66.7%	61.4%	62.6%	-3.1	-4.1	1.2	-7.2
<i>Hispanic</i>	55.2%	50.8%	48.9%	48.0%	-4.4	-2.8	-0.9	-7.2
<i>Other</i>	72.0%	70.4%	67.0%	66.8%	-1.6	-3.6	-0.2	-5.2
<b>Nativity</b>								
<i>Native born</i>	78.3%	74.6%	71.4%	71.4%	-3.7	-3.2	-0.1	-6.9
<i>Foreign born</i>	60.4%	54.9%	53.3%	52.2%	-5.5	-2.7	-1.2	-8.2
<b>Education</b>								
<i>High school</i>	73.2%	66.2%	61.8%	61.5%	-7.0	-4.7	-0.3	-11.7
<i>College</i>	85.9%	83.1%	80.0%	80.0%	-2.8	-3.1	0.0	-5.9
<b>Wage fifth*</b>								
<i>Bottom</i>	51.2%	46.0%	40.9%	41.3%	-5.2	-4.8	0.4	-10.0
<i>Second</i>	70.2%	63.2%	59.4%	57.9%	-6.9	-5.3	-1.4	-12.2
<i>Middle</i>	81.6%	78.0%	74.8%	74.5%	-3.6	-3.5	-0.3	-7.1
<i>Fourth</i>	87.4%	84.8%	82.7%	82.4%	-2.6	-2.4	-0.3	-5.0
<i>Top</i>	89.1%	86.1%	85.1%	85.4%	-3.0	-0.7	0.3	-3.7
<b>Work time</b>								
<i>Full-time</i>	78.6%	74.8%	73.2%	72.9%	-3.8	-1.9	-0.4	-5.7
<i>Part-time</i>	61.6%	55.5%	49.3%	49.1%	-6.1	-6.4	-0.2	-12.5

\* For methodology of construction of wage fifths, see Gould (2010).

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

from 17 percentage points in 2000 to nearly 24 percentage points in 2011.

An important group of workers to examine more closely are those who are strongly attached to the private-sector labor force (i.e., those who work at least 20 hours per week and 26 weeks per year). **Table 3** displays coverage for strongly attached workers who receive insurance

through their own job (that is, not as a dependent receiving coverage via a spouse or parent) from 2000 to 2011 by selected job characteristics.<sup>4</sup> Coverage for these workers fell 3.5 percentage points over the full business cycle from 2000 to 2007. After an increase in the coverage rate between 2004 and 2007, coverage for these workers fell again for four years in a row, declining by 3.1 percentage points from 2007 to 2011. In 2011, only 52.3 percent of



TABLE 3

Employer-sponsored health insurance coverage\* for “strongly attached” private-sector workers,\*\* by occupation, firm size, and industry, 2000–2011

	SHARE WITH ESI				PERCENTAGE-POINT CHANGE			
	2000	2007	2010	2011	2000–2007	2007–2011	2010–2011	2000–2011
<i>All workers</i>	58.9%	55.4%	53.1%	52.3%	-3.5	-3.1	-0.9	-6.6
<b>Occupations</b>								
<i>White collar</i>	65.0%	61.9%	60.0%	59.3%	-3.1	-2.6	-0.7	-5.7
<i>Blue collar</i>	59.0%	53.9%	51.6%	51.5%	-5.1	-2.4	-0.2	-7.5
<i>Service</i>	33.9%	29.5%	26.1%	24.1%	-4.4	-5.4	-2.0	-9.9
<b>Firm size</b>								
<i>Nine or fewer</i>	30.6%	27.1%	26.3%	24.6%	-3.5	-2.5	-1.8	-6.0
<i>10 to 99</i>	50.6%	46.7%	43.6%	42.0%	-3.9	-4.7	-1.6	-8.6
<i>100 to 499</i>	65.9%	63.1%	61.5%	59.8%	-2.8	-3.3	-1.8	-6.1
<i>500 to 999</i>	67.1%	64.9%	62.1%	62.7%	-2.2	-2.2	0.6	-4.4
<i>1,000 plus</i>	69.9%	67.5%	64.9%	64.4%	-2.4	-3.1	-0.5	-5.5
	2002	2007	2010	2011	2002–2007	2007–2011	2010–2011	2002–2011
<b>Industry***</b>								
<i>Agriculture, forestry, fishing, hunting</i>	37.1%	27.1%	24.8%	22.8%	-10.0	-4.3	-2.0	-14.3
<i>Arts, entertainment, recreation, and accommodation</i>	32.5%	31.9%	26.8%	25.4%	-0.6	-6.5	-1.4	-7.1
<i>Construction</i>	47.5%	44.1%	42.2%	43.4%	-3.4	-0.7	1.2	-4.1
<i>Education, health, and social services</i>	59.4%	60.2%	57.0%	56.0%	0.8	-4.2	-1.0	-3.4
<i>Finance, insurance, and real estate and leasing</i>	65.8%	65.1%	65.4%	65.5%	-0.7	0.4	0.1	-0.3
<i>Information</i>	73.0%	72.7%	69.4%	71.3%	-0.3	-1.4	1.9	-1.7
<i>Manufacturing</i>	72.7%	70.2%	68.6%	67.8%	-2.5	-2.4	-0.8	-4.8
<i>Mining</i>	78.4%	73.9%	72.6%	71.4%	-4.5	-2.5	-1.2	-7.0
<i>Other services (except public administration)</i>	40.1%	37.4%	35.5%	34.4%	-2.7	-3.0	-1.1	-5.7
<i>Professional, scientific, management, and administration</i>	57.4%	56.0%	56.1%	53.4%	-1.4	-2.6	-2.7	-4.0
<i>Transportation and communication</i>	66.9%	63.0%	61.4%	61.7%	-3.9	-1.3	0.3	-5.2
<i>Wholesale trade</i>	53.9%	51.6%	48.5%	47.9%	-2.3	-3.7	-0.7	-6.0

\* To qualify as employer-sponsored health insurance coverage, workers must receive employer-sponsored health insurance through their own job, and employer must pay at least part of their insurance premiums.

\*\* Defined as private-sector wage and salary workers, age 18–64, who worked at least 20 hours per week and 26 weeks per year

\*\*\* Industry classification changes make it impossible to compare 2011 with years earlier than 2002.

**Source:** Author’s analysis of Current Population Survey Annual Social and Economic Supplement microdata

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these steady workers received health insurance from their employer, down 6.6 percentage points from 2000.

Strongly attached service-sector workers are insured through their own jobs at less than half the rate of both white-collar and blue-collar workers. Service-sector workers experienced the largest drop in coverage from 2007 to 2011 (5.4 percentage points) and throughout 2000–2011 (9.9 percentage points).

Workers in larger firms are more likely to receive health insurance from their own employer than workers in smaller firms. Only 24.6 percent of strongly attached workers in the smallest firms (with fewer than 10 employees) have ESI from their own job, compared with 42.0 percent in firms with 10 to 99 employees, 59.8 percent in firms with 100 to 499 workers, and more than 62 percent in firms with 500 or more employees. Coverage losses from 2007 to 2011 and over 2000–2011 were greatest among workers in smaller firms (with 10–99 workers).

Low coverage rates among workers in small firms are due to many factors that make purchasing insurance much more expensive for small businesses than for larger firms, including an inability to offer attractive risk pools to potential insurers, high administrative costs, and little competition in insurer markets (Gould and Hertel-Fernandez 2009). With the passage of the Patient Protection and Affordable Care Act in 2010, very small, low-wage firms could see considerable reductions in their premiums with the use of new tax credits. It is not clear from the data in this briefing paper how these new tax credits, which came into effect in 2010, affected coverage rates for workers at the smallest firms because there were too many moving parts in the economy to accurately measure the counterfactual.

In 2014, all small firms will be able to purchase insurance through new insurance exchanges, which will make insurance costs more stable and predictable, even if one or more of their workers require(s) medical care or if their

workforce size or composition changes from one year to the next.

Coverage rates in 2011 differ dramatically according to what sector of the economy strongly attached workers were employed in, ranging from 71.4 percent in the mining industry to 22.8 percent in the agriculture, forestry, fishing, and hunting industry. Overall, the highest rates of coverage are found in mining; manufacturing; and information; and the lowest in agriculture, forestry, fishing, and hunting; arts, entertainment, recreation, and accommodation; and other services (except public administration). However, all industries experienced declines from 2002 to 2011.<sup>5</sup> The largest declines were in the sector with the lowest percent insured, agriculture, forestry, fishing, and hunting—with a 14.3 percentage-point decline in employer-sponsored insurance coverage. The smallest declines between 2002 and 2011 were in the finance, insurance, and real estate and leasing industry, with a drop of 0.3 percentage points.

In addition, previous research has shown that certain industries, such as public administration, mining, and manufacturing, are more likely to offer coverage to workers' spouses or children, whereas arts and professional services fall short in this regard (Bivens, Gould, and Hertel-Fernandez 2009). In other words, the likelihood of receiving dependent coverage is higher among industries with higher rates of worker coverage.

### ***Uninsured workers***

Declines in ESI among workers tend to translate into growing numbers of workers without any type of health insurance. Uninsured workers are increasingly common in the U.S. economy; nearly one-fifth of the workforce was uninsured in 2011 (**Table 4**). While there was a slight decline in the share of workers uninsured between 2010 and 2011, workers age 18 to 64 were still nearly 30 percent more likely to be uninsured in 2011 than in 2000.

The share of uninsured workers increased more during the full business cycle from 2000 to 2007 (increasing 2.5

TABLE 4

## Share of workers 18–64 years old without health insurance, by various characteristics, 2000–2011

	SHARE UNINSURED				PERCENTAGE-POINT CHANGE			
	2000	2007	2010	2011	2000–2007	2007–2011	2010–2011	2000–2011
<i>All workers</i>	15.0%	17.5%	19.5%	19.3%	2.5	1.8	-0.2	4.3
<b>Age</b>								
<i>18–24</i>	24.3%	26.5%	26.8%	25.1%	2.2	-1.4	-1.7	0.8
<i>25–34</i>	18.7%	22.4%	25.5%	25.3%	3.7	2.9	-0.2	6.6
<i>35–44</i>	13.2%	16.4%	19.2%	18.8%	3.2	2.4	-0.4	5.6
<i>45–54</i>	9.7%	13.3%	15.4%	15.7%	3.6	2.4	0.3	6.0
<i>55–64</i>	9.6%	10.3%	12.5%	12.9%	0.7	2.6	0.4	3.3
<b>Gender</b>								
<i>Male</i>	16.9%	19.9%	21.9%	21.4%	3.0	1.5	-0.5	4.5
<i>Female</i>	12.8%	14.7%	16.9%	17.1%	1.9	2.4	0.2	4.3
<b>Race</b>								
<i>White, non-Hispanic</i>	10.4%	12.2%	13.9%	13.7%	1.8	1.5	-0.2	3.3
<i>Black, non-Hispanic</i>	19.9%	22.0%	25.0%	23.8%	2.1	1.8	-1.3	3.9
<i>Hispanic</i>	36.1%	38.9%	39.6%	39.9%	2.8	1.0	0.2	3.8
<i>Other</i>	18.8%	18.2%	20.9%	20.0%	-0.6	1.8	-0.8	1.2
<b>Nativity</b>								
<i>Native born</i>	12.3%	14.4%	16.3%	16.1%	2.1	1.7	-0.3	3.8
<i>Foreign born</i>	31.7%	34.5%	35.8%	36.0%	2.8	1.5	0.1	4.3
<b>Education</b>								
<i>Less than high school</i>	37.9%	44.5%	46.1%	45.9%	6.6	1.4	-0.2	8.0
<i>High school</i>	17.9%	23.0%	25.9%	25.6%	5.1	2.6	-0.3	7.7
<i>Some college</i>	11.6%	14.4%	17.7%	17.8%	2.8	3.4	0.1	6.2
<i>College</i>	6.8%	8.0%	10.1%	9.9%	1.2	1.9	-0.1	3.1
<i>Post-college</i>	3.4%	4.4%	5.2%	5.6%	1.0	1.2	0.4	2.2
<b>Wage fifth*</b>								
<i>Bottom</i>	31.1%	34.1%	37.7%	36.7%	3.0	2.6	-1.0	5.6
<i>Second</i>	19.7%	24.6%	26.7%	27.1%	4.9	2.5	0.4	7.4
<i>Middle</i>	11.6%	13.8%	16.0%	15.6%	2.2	1.8	-0.4	4.0
<i>Fourth</i>	7.1%	8.5%	9.8%	10.1%	1.4	1.6	0.3	3.0
<i>Top</i>	5.2%	6.2%	7.1%	6.9%	1.0	0.7	-0.1	1.8
<b>Work time</b>								
<i>Full-time</i>	14.3%	16.5%	17.5%	17.3%	2.2	0.8	-0.2	3.0
<i>Part-time</i>	18.3%	22.6%	27.6%	27.5%	4.3	4.9	0.0	9.2

\* For methodology of construction of wage fifths, see Gould (2010).

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

percentage points) than it did in the recession that began in December 2007 (increasing 1.8 percentage points from 2007 to 2011). The total increase in the share of workers uninsured from 2000 to 2011 was 4.3 percentage points, representing 6.6 million more uninsured workers.

Older workers (age 55–64) are more likely to have coverage than any other age group, with only 12.9 percent lacking insurance—while more than one-fourth of younger workers (age 18–34) are uninsured. Working men are more likely to be uninsured than working women (21.4 percent versus 17.1 percent). White non-Hispanic workers are far less likely to be uninsured than black and Hispanic workers, with 13.7 percent of whites lacking insurance, compared with 23.8 percent of blacks and 39.9 percent of Hispanics. Native- and foreign-born workers alike saw increases in uninsurance rates over 2000–2011, though foreign-born workers are uninsured at more than twice the rate of native-born workers.

Nearly half of workers without a high school degree are uninsured, compared with about one-fourth of those with a high school degree (but no additional education) and one-tenth of those with a college degree (but no additional education). While these levels illustrate clear inequities, the gap in coverage rates among workers of different education levels grew substantially over 2000–2011. Workers without a high school degree or with a high school degree but no additional education experienced larger increases in their ranks of uninsured (rising 8.0 and 7.7 percentage points, respectively) than did those with a college degree or post-college education (3.1 and 2.2 percentage points, respectively).

Nearly one-third of all workers in the bottom 40 percent of the wage distribution are uninsured, compared with less than one-eleventh of workers in the top 40 percent. About 3.9 million additional workers in the bottom 40 percent were uninsured in 2011 compared with 2000, while only 1.4 million additional workers in the top 40 percent were uninsured over the same period. At the extremes, 36.7 percent of workers in the bottom fifth

TABLE 5

**Characteristics of workers 18–64 years old, all versus uninsured, 2011**

	All workers	Uninsured workers
<b>Age</b>		
18–24	13.2%	17.1%
25–34	22.8%	29.8%
35–44	22.5%	21.9%
45–54	24.1%	19.5%
55–64	17.4%	11.7%
<b>Gender</b>		
Male	52.5%	58.0%
Female	47.5%	42.0%
<b>Race</b>		
White, non-Hispanic	66.2%	46.9%
Black, non-Hispanic	10.8%	13.3%
Hispanic	15.6%	32.2%
Other	7.4%	7.7%
<b>Nativity</b>		
Native born	83.6%	69.4%
Foreign born	16.4%	30.6%
<b>Education</b>		
Less than high school	8.8%	20.9%
High school	27.5%	36.5%
Some college	30.5%	28.1%
College	21.9%	11.3%
Post-college	11.2%	3.3%
<b>Wage fifth*</b>		
Bottom	20.0%	38.1%
Second	20.0%	28.1%
Middle	20.0%	16.1%
Fourth	20.0%	10.5%
Top	20.0%	7.2%
<b>Work time</b>		
Full-time	80.2%	72.2%
Part-time	19.8%	27.8%

\* For methodology of construction of wage fifths, see Gould (2010).

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

were uninsured, while only 6.9 percent of workers in the top fifth were. Thus, workers in the bottom fifth are over five times more likely to be uninsured than are workers in the top fifth. While public insurance is designed to cover children who lose access to employer-sponsored insurance, it is clear that workers generally do not enjoy the same safety net.

Part-time workers are more likely to be uninsured than full-time workers, and that gap in access to coverage has grown over time. Part-time workers were 28 percent more likely to be uninsured in 2000, but 59 percent more likely to be uninsured in 2011. Over 2000–2011, lack of insurance coverage grew 3.0 percentage points among full-time workers and 9.2 percentage points among part-time workers. The introduction of insurance exchanges and their accompanying subsidies as part of health reform in 2014 should provide an alternative to workers, particularly part-time workers, who do not have health insurance through their job.

**Table 5** examines the uninsured workforce side-by-side with the workforce as a whole in 2011. Uninsured workers are disproportionately young. Workers age 18–34 make up 36.0 percent of the total workforce yet 47.0 percent of the uninsured workforce. In addition, working men are more likely to be uninsured than working women. Disparities among the working uninsured are stark by race and ethnicity. Whereas Hispanics make up only 15.6 percent of the total workforce, they represent 32.2 percent of the uninsured workforce. A similar trend is found by nativity: While the foreign born account for 16.4 percent of the overall workforce, they represent 30.6 percent of the uninsured workforce.

Insurance coverage among workers rises consistently with increased educational attainment. Workers with a high school education or less represent 36.3 percent of the workforce, yet they make up 57.4 percent of uninsured workers. Those with a college degree or higher represent nearly one-third of the workforce, yet less than one-sixth of those uninsured.

The starkest disparities occur at different points in the wage distribution. When the workforce is equally divided by wage into fifths (see Gould 2010 for methodology), it is clear that those at the bottom end of the distribution are far more likely to be uninsured than those at the top. Workers in the bottom two-fifths by definition represent 40 percent of the workforce, but represent about two-thirds of the uninsured. By contrast, the top two-fifths, again 40 percent of workers, represent only 17.7 percent of the uninsured.

## Declining ESI coverage for children

Second to young adults (age 18–24), children under 18 have the lowest rates of ESI coverage of the under-65 population, at 54.7 percent (**Table 6**). Coverage shares for children fell every year from 2000 to 2011, resulting in an overall decline of 12.0 percentage points. In 2011, 7.7 million fewer children had ESI than in 2000, without even taking into account the growth of the under-18 population throughout this period. As many as 8.9 million more children would have had ESI in 2011 if the coverage rate had remained at the 2000 level.

As with the under-65 population as a whole, there are stark disparities in ESI coverage for children. White non-Hispanic children have coverage rates nearly as high as the rate for overall workers (67.0 percent), and almost double the rate of Hispanic children (35.3 percent). Black non-Hispanic children experienced the largest losses from 2007 to 2011 (6.2 percentage points) and from 2000 to 2011 (12.5 percentage points). Native-born children experienced greater losses than did foreign-born children over 2000–2011, yet their coverage rates are still far higher (55.3 percent versus 39.2 percent).

Children's coverage is highly correlated with the education of the family head. Less than half of children of parents with a high school degree (but no additional education) have ESI, compared with about four-fifths of children of parents with at least a college degree. Fewer than 1 in

TABLE 6

### Employer-sponsored health insurance coverage for population under age 18, by various characteristics, 2000–2011

	SHARE WITH ESI				PERCENTAGE-POINT CHANGE			
	2000	2007	2010	2011	2000–2007	2007–2011	2010–2011	2000–2011
<i>All under 18</i>	66.7%	59.8%	54.8%	54.7%	-6.9	-5.1	-0.1	-12.0
<b>Race</b>								
<i>White, non-Hispanic</i>	76.8%	71.1%	67.3%	67.0%	-5.7	-4.1	-0.3	-9.8
<i>Black, non-Hispanic</i>	52.6%	46.3%	38.6%	40.1%	-6.3	-6.2	1.5	-12.5
<i>Hispanic</i>	44.0%	38.2%	35.5%	35.3%	-5.8	-2.9	-0.2	-8.7
<i>Other</i>	65.9%	61.2%	56.2%	56.3%	-4.7	-4.9	0.1	-9.6
<b>Nativity</b>								
<i>Native born</i>	67.7%	60.6%	55.5%	55.3%	-7.1	-5.3	-0.2	-12.4
<i>Foreign born</i>	46.3%	39.6%	37.4%	39.2%	-6.7	-0.4	1.9	-7.1
<b>Education of family head</b>								
<i>Less than high school</i>	35.5%	23.2%	20.6%	18.8%	-12.3	-4.4	-1.8	-16.7
<i>High school</i>	64.4%	52.2%	44.9%	44.2%	-12.2	-8.0	-0.7	-20.2
<i>Some college</i>	74.2%	66.0%	58.1%	56.9%	-8.2	-9.1	-1.2	-17.3
<i>College</i>	85.9%	82.2%	79.5%	79.2%	-3.7	-3.0	-0.2	-6.7
<i>Post-college</i>	88.0%	86.3%	84.3%	85.9%	-1.7	-0.4	1.5	-2.1
<b>Family income fifth</b>								
<i>Bottom</i>	25.1%	17.2%	13.4%	13.5%	-7.9	-3.7	0.2	-11.6
<i>Second</i>	56.0%	42.5%	33.7%	32.4%	-13.5	-10.1	-1.3	-23.6
<i>Middle</i>	75.8%	68.4%	60.7%	59.6%	-7.4	-8.8	-1.2	-16.2
<i>Fourth</i>	87.1%	82.7%	80.5%	80.0%	-4.4	-2.7	-0.4	-7.1
<i>Top</i>	89.8%	88.2%	85.8%	88.5%	-1.6	0.3	2.6	-1.3

Source: Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

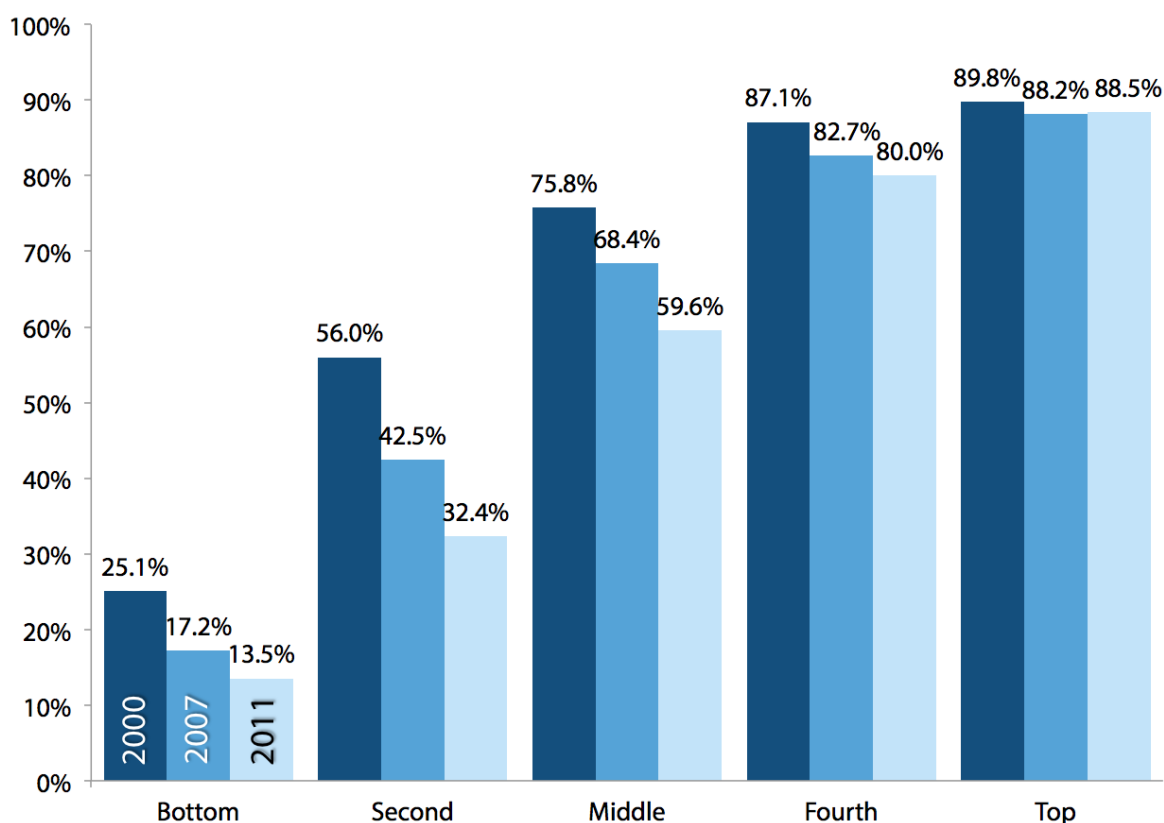
5 children of a family head with less than a high school education has ESI. Similarly, access to ESI is closely tied to family income (Figure D). While children across the economic spectrum experienced losses in coverage over 2000–2011, disparities have widened. The gap between the top fifth and bottom fifth grew 10.2 percentage points over the period, while the gap between the second and fourth fifths grew by 16.5 percentage points.

## Publicly provided health insurance stemmed larger losses in overall coverage

While losses in ESI from 2000 to 2011 were greater among children than among non-elderly adults, the share of children without any coverage actually fell, as shown in Figure E. The uninsured rate for children fell 1.3 percentage points, while the share of uninsured non-elderly adults rose 4.8 percentage points from 2000 to 2011. Given that the share of children and non-elderly adults covered by privately purchased, or non-group, insurance

FIGURE D

### Share of population under age 18 with employer-sponsored health insurance, by family income fifth, 2000, 2007, 2011



Source: Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

coverage was relatively flat over this period (not shown), the differences in the overall coverage rates are primarily due to differences in the incidence of public insurance for these groups.

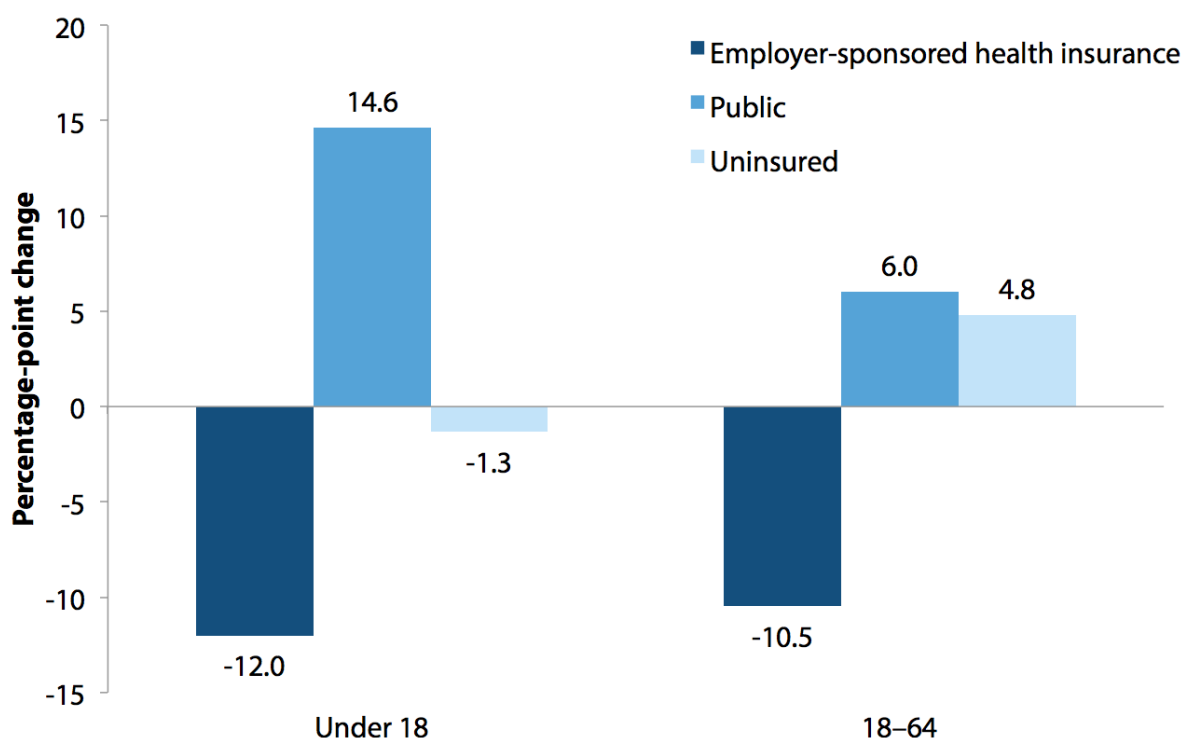
The share of children with public coverage grew 14.6 percentage points from 2000 to 2011, compared with an increase of only 6.0 percentage points for the non-elderly adult population. While both increases lessened the impact of ESI losses on overall coverage rates, only the increase in public coverage for children was large enough to be fully offsetting. Children have greater access to public insurance through CHIP, but eligibility for public insurance for non-elderly adults is mostly limited to Medicaid or Medicare (e.g., for the disabled).

Some claim that the losses in ESI were actually driven by increases in public coverage eligibility or generosity, a phenomenon known as “crowd-out.” However, given the economic downturn that began in 2007, it is likely that an increasing number of children became eligible for public insurance rather than public coverage *replacing* private coverage. That ESI coverage rates for adults fell without the same counterbalancing rise in public coverage further reinforces this idea. Regardless of the cause, it is clear that if not for public insurance, the overall coverage rate among children would have fallen.



FIGURE E

Percentage-point change in employer-sponsored health insurance coverage rate, public coverage rate, and uninsured rate for under 18 and 18–64 populations, 2000–2011



Source: Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

## Health reform and coverage among young adults

In 2010, several elements of the Patient Protection and Affordable Care Act took effect. These provisions include reforms to the insurance market, tax credits to help small businesses provide insurance to their workers, and a stipulation allowing adults younger than age 26 to stay on or join their parents' employer-sponsored health insurance policy. While the success of other provisions may be difficult to track, it is relatively easy to illustrate the success of health reform with regard to the young adult provision.

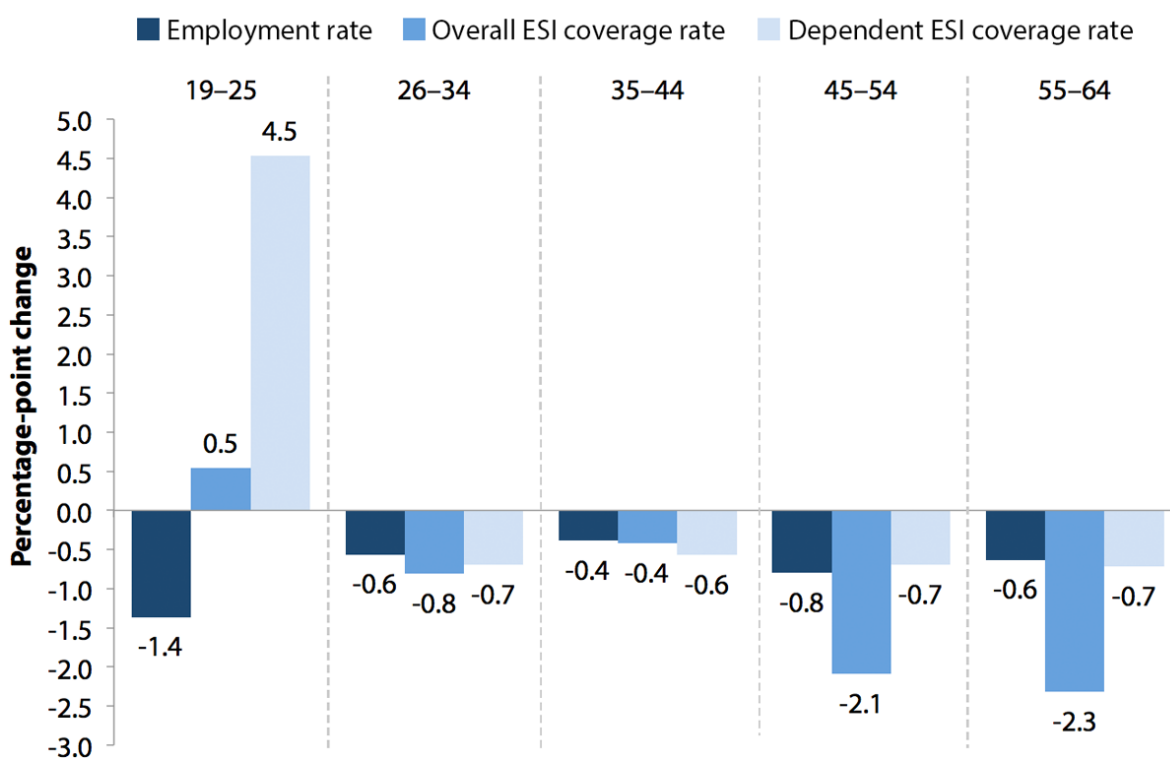
**Figure F** compares changes in the employment rate and the rate of employer-sponsored health insurance coverage for various age groups between 2009 and 2011. Employment rates fell for each group, with the largest declines among young adults between 19 and 25 years old.<sup>6</sup> At the

same time, for most groups, overall employer-sponsored health insurance coverage rates (which include those with ESI through their own job, as well as those receiving coverage as a dependent) also fell. This is not surprising given that most people find health insurance on the job. Declines, though generally smaller, were also found in the share receiving ESI coverage as a dependent among every age group except one—the 19–25 cohort.

It's important to note this exception. Given the close relationship between labor market outcomes and employer-sponsored insurance, we would expect declines in coverage for all groups. What we see instead is that employer-sponsored health insurance actually *increased* among young adults. This is because the coverage rate rose particularly dramatically among young adults who had ESI as a dependent, the very type of coverage the provision should have affected.

FIGURE F

Change in employment rate and employer-sponsored health insurance (total and as a dependent), by age group, 2009–2011



Source: Author’s analysis of Current Population Survey and Current Population Survey Annual Social and Economic Supplement microdata

While this provision appears to improve the low coverage rates for 19- to 25-year-olds, coverage for young adults through this avenue is dependent on parental coverage, which has suffered in recent years and is more likely to be secured by those with higher incomes. Thus, in a struggling economy, fewer young adults will be able to secure coverage through their parents. Furthermore, young adults whose parents do not have the advantage of ESI (disproportionately non-whites and/or those with less education and/or lower incomes) will not be able to take advantage of this provision.

### ESI across the states

The non-elderly population across the country relies on ESI as the primary form of coverage; however, the incidence of coverage varies widely from state to state. **Table 7**

compares ESI coverage rates for the entire under-65 population across states between 2000/2001 and 2010/2011.

New Hampshire has the highest rate of ESI coverage among the under-65 population, at 72.0 percent in 2010/2011. It is followed by Massachusetts (70.5 percent), Connecticut (69.8 percent), Minnesota (68.7 percent), Utah (68.6 percent), and Maryland (67.4 percent). In contrast, less than half of both New Mexico’s and Louisiana’s non-elderly population have ESI, at 47.6 percent and 49.7 percent, respectively.

Across the country, on average, ESI coverage for the under-65 population fell 10.0 percentage points from 2000/2001 to 2010/2011. Nineteen states experienced losses in excess of 10 percentage points over the period. The largest declines in coverage occurred in South Caro-

lina, Michigan, Nevada, Georgia, and Ohio each with losses of at least 13 percentage points. Forty-nine states plus the District of Columbia had statistically significant losses in coverage rates for their under-65 population, while no state had a rise in the share of its under-65 population with ESI coverage over that period.<sup>7</sup>

In terms of ESI coverage for workers age 18 to 64, Massachusetts, Hawaii, and Connecticut have the highest coverage rates, at 79.6 percent, 77.4 percent, and 77.4 percent, respectively (**Table 8**). This is not particularly surprising for Massachusetts and Hawaii, as both states have mandates requiring that employers provide at least minimal insurance coverage to their workers. The lowest rate of worker coverage is in Montana (57.9 percent), followed by New Mexico (58.4 percent), California (62.4 percent), and Texas (62.7 percent). The largest declines in job-based coverage among workers from 2000/2001 to 2010/2011 occurred in South Carolina, Michigan, and Georgia, each with losses in excess of 11 percentage points, far above the national average decrease of 7.0 percentage points.

When looking at ESI coverage for children, New Hampshire again leads the country, with a coverage rate of 72.6 percent (**Table 9**). Massachusetts, Minnesota, and Utah follow, at 69.7 percent, 68.3 percent, and 68.2 percent, respectively. At the other end of the spectrum, nine states and Washington, D.C., have ESI coverage rates among children of less than 50 percent. Louisiana has the lowest rate of coverage for children, at 41.6 percent, followed by New Mexico (42.9 percent), Washington, D.C. (44.2 percent), and Mississippi (44.3 percent).

As is the case nationwide, losses in coverage across the states are greatest among children. Twenty-six states and Washington, D.C., had declines from 2000/2001 to 2010/2011 in excess of 10 percentage points. South Carolina had the greatest losses in children's ESI coverage (16.7 percentage points), followed by Louisiana (16.4 percentage points), and Indiana (15.9 percentage points). Overall, 46 states and Washington, D.C., had statistically sig-

nificant declines in children's ESI coverage rates. No state had a statistically significant increase.

## Conclusion

Employer-sponsored health insurance is increasingly failing American families. If the coverage rate had not fallen 10.9 percentage points as it did from 2000 to 2011, as many as 29 million more people under age 65 would have had ESI in 2011. Public insurance, primarily in the form of Medicaid and CHIP, has helped counteract this trend. However, many Americans, particularly those of working age, are falling through the cracks. Fortunately, the young adult provision in the Patient Protection and Affordable Care Act has partially mitigated the trend, insuring an increasing share of that group since it took effect in 2010.

In the future, other major elements of health reform—particularly the provisions establishing health insurance exchanges and the accompanying subsidies, which will come into effect in 2014—will make it easier and more affordable for Americans to secure and maintain health insurance coverage. Unfortunately, the continued weak labor market, with its inadequate job creation and the accompanying limited bargaining power of workers, will likely lead to further losses in employer-sponsored insurance coverage before major relief from health reform materializes.

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TABLE 7

**Employer-sponsored health insurance coverage by state, under-65 population, 2000/2001 to 2010/2011\***

State	ESI COVERAGE (%)			ESI COVERAGE (#)		
	2000/2001	2010/2011	Percentage-point change	2000/2001	2010/2011	Change
<i>NATIONWIDE</i>	68.5%	58.5%	<b>-10.0</b>	169,169,181	156,196,137	<b>-12,973,044</b>
<i>Alabama</i>	68.7%	59.6%	<b>-9.2</b>	2,651,881	2,443,905	<b>-207,976</b>
<i>Alaska</i>	63.1%	58.6%	<b>-4.5</b>	372,313	378,468	6,155
<i>Arizona</i>	63.3%	54.1%	<b>-9.2</b>	2,950,511	3,072,088	<b>121,578</b>
<i>Arkansas</i>	61.4%	52.6%	<b>-8.9</b>	1,387,818	1,285,500	<b>-102,318</b>
<i>California</i>	61.0%	52.4%	<b>-8.6</b>	18,873,334	17,355,689	<b>-1,517,645</b>
<i>Colorado</i>	70.8%	60.9%	<b>-9.9</b>	2,805,245	2,701,887	<b>-103,357</b>
<i>Connecticut</i>	77.9%	69.8%	<b>-8.1</b>	2,252,818	2,126,099	<b>-126,719</b>
<i>Delaware</i>	76.6%	65.8%	<b>-10.8</b>	526,067	504,383	-21,683
<i>District of Columbia</i>	64.4%	56.6%	<b>-7.8</b>	313,807	303,916	-9,892
<i>Florida</i>	63.3%	53.2%	<b>-10.1</b>	8,553,829	8,271,845	<b>-281,984</b>
<i>Georgia</i>	68.5%	54.7%	<b>-13.8</b>	5,095,960	4,763,250	<b>-332,710</b>
<i>Hawaii</i>	72.1%	66.5%	<b>-5.6</b>	759,092	752,571	-6,521
<i>Idaho</i>	65.2%	54.5%	<b>-10.7</b>	755,406	738,385	-17,021
<i>Illinois</i>	72.0%	60.0%	<b>-12.0</b>	7,869,771	6,667,416	<b>-1,202,356</b>
<i>Indiana</i>	76.4%	63.4%	<b>-12.9</b>	3,983,181	3,484,009	<b>-499,171</b>
<i>Iowa</i>	76.9%	66.1%	<b>-10.8</b>	1,892,558	1,735,517	<b>-157,041</b>
<i>Kansas</i>	71.4%	61.9%	<b>-9.6</b>	1,608,975	1,484,026	<b>-124,949</b>
<i>Kentucky</i>	68.0%	58.7%	<b>-9.3</b>	2,394,051	2,190,618	<b>-203,434</b>
<i>Louisiana</i>	60.3%	49.7%	<b>-10.6</b>	2,330,985	1,927,686	<b>-403,299</b>
<i>Maine</i>	69.6%	61.3%	<b>-8.2</b>	747,262	677,139	<b>-70,123</b>
<i>Maryland</i>	78.5%	67.4%	<b>-11.1</b>	3,654,290	3,423,346	<b>-230,944</b>
<i>Massachusetts</i>	74.1%	70.5%	<b>-3.6</b>	4,080,768	3,941,566	<b>-139,202</b>
<i>Michigan</i>	76.9%	61.5%	<b>-15.5</b>	6,689,809	5,138,308	<b>-1,551,500</b>
<i>Minnesota</i>	77.3%	68.7%	<b>-8.6</b>	3,442,921	3,124,070	<b>-318,850</b>
<i>Mississippi</i>	60.4%	51.6%	<b>-8.8</b>	1,492,193	1,313,876	<b>-178,316</b>
<i>Missouri</i>	72.8%	60.4%	<b>-12.4</b>	3,554,232	3,075,923	<b>-478,309</b>
<i>Montana</i>	59.7%	50.6%	<b>-9.1</b>	457,974	411,954	<b>-46,019</b>
<i>Nebraska</i>	70.2%	63.6%	<b>-6.6</b>	1,041,276	1,006,594	-34,682
<i>Nevada</i>	71.5%	57.3%	<b>-14.2</b>	1,330,279	1,348,602	18,323
<i>New Hampshire</i>	79.3%	72.0%	<b>-7.3</b>	852,775	807,037	<b>-45,738</b>
<i>New Jersey</i>	76.9%	65.1%	<b>-11.8</b>	5,578,859	4,894,760	<b>-684,099</b>
<i>New Mexico</i>	54.1%	47.6%	<b>-6.5</b>	851,789	824,768	-27,022

TABLE 7 (CONTINUED)

State	ESI COVERAGE (%)			ESI COVERAGE (#)		
	2000/2001	2010/2011	Percentage-point change	2000/2001	2010/2011	Change
<i>New York</i>	66.1%	59.3%	<b>-6.8</b>	10,822,864	9,884,131	<b>-938,733</b>
<i>North Carolina</i>	67.4%	55.7%	<b>-11.7</b>	4,781,263	4,566,947	<b>-214,316</b>
<i>North Dakota</i>	66.7%	65.6%	-1.1	357,653	377,859	<b>20,207</b>
<i>Ohio</i>	75.2%	61.9%	<b>-13.3</b>	7,329,008	6,037,164	<b>-1,291,844</b>
<i>Oklahoma</i>	59.7%	56.7%	<b>-3.0</b>	1,754,235	1,818,730	64,495
<i>Oregon</i>	66.4%	59.8%	<b>-6.6</b>	2,027,203	1,954,731	-72,472
<i>Pennsylvania</i>	76.4%	65.5%	<b>-10.9</b>	7,983,079	6,946,516	<b>-1,036,563</b>
<i>Rhode Island</i>	74.1%	63.0%	<b>-11.0</b>	647,720	557,297	<b>-90,423</b>
<i>South Carolina</i>	69.7%	54.2%	<b>-15.5</b>	2,429,132	2,132,726	<b>-296,406</b>
<i>South Dakota</i>	69.1%	59.9%	<b>-9.2</b>	435,185	415,695	-19,490
<i>Tennessee</i>	65.6%	56.9%	<b>-8.7</b>	3,300,418	3,133,756	<b>-166,661</b>
<i>Texas</i>	60.6%	52.0%	<b>-8.5</b>	11,387,467	11,843,570	<b>456,103</b>
<i>Utah</i>	73.7%	68.6%	<b>-5.1</b>	1,531,568	1,720,970	<b>189,403</b>
<i>Vermont</i>	70.0%	61.7%	<b>-8.2</b>	371,853	329,131	<b>-42,721</b>
<i>Virginia</i>	72.2%	63.9%	<b>-8.3</b>	4,497,703	4,421,792	-75,911
<i>Washington</i>	66.9%	58.4%	<b>-8.4</b>	3,478,838	3,447,183	-31,655
<i>West Virginia</i>	65.0%	59.8%	<b>-5.3</b>	972,374	940,213	-32,161
<i>Wisconsin</i>	78.1%	66.1%	<b>-12.0</b>	3,623,066	3,191,904	<b>-431,162</b>
<i>Wyoming</i>	66.8%	60.9%	<b>-6.0</b>	286,526	300,620	14,094

\* Table compares combined data from 2000 and 2001 with combined data from 2010 and 2011 to provide sufficient sample sizes to make reliable estimates for small states.

**Note:** Bolded numbers are statistically significant at the 5 percent level.

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

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## Endnotes

1. Measures of labor market health besides the official unemployment rate show much less improvement than the unemployment rate in 2011 would suggest. Much of the improvement in the unemployment rate was actually due to

a drop in labor force participation rather than an increase in employment.

2. The results under the education heading in Table 1 assign each child the education level of their family head, as children under age 18 rarely complete their education by that time.
3. See Gould (2010) for a discussion of wage quintile analysis and balancing fifths.
4. In this section, to qualify as employer-sponsored health insurance coverage, workers must receive employer-sponsored health insurance through their own job,

TABLE 8

### Employer-sponsored health insurance coverage for workers age 18–64, by state, 2000/2001 to 2010/2011

State	ESI COVERAGE (%)			ESI COVERAGE (#)		
	2000/2001	2010/2011	Percentage-point change	2000/2001	2010/2011	Change
<i>NATIONWIDE</i>	75.4%	68.4%	<b>-7.0</b>	107,366,264	98,389,073	<b>-8,977,191</b>
<i>Alabama</i>	78.1%	73.6%	<b>-4.5</b>	1,641,460	1,506,024	<b>-135,436</b>
<i>Alaska</i>	68.1%	67.0%	-1.1	230,807	241,612	10,804
<i>Arizona</i>	70.5%	65.2%	<b>-5.4</b>	1,782,515	1,888,445	105,930
<i>Arkansas</i>	71.1%	65.3%	<b>-5.8</b>	876,083	840,481	-35,603
<i>California</i>	68.3%	62.4%	<b>-5.9</b>	11,547,175	10,637,336	<b>-909,839</b>
<i>Colorado</i>	75.5%	67.3%	<b>-8.2</b>	1,796,894	1,691,990	<b>-104,904</b>
<i>Connecticut</i>	82.6%	77.4%	<b>-5.2</b>	1,438,911	1,361,859	-77,052
<i>Delaware</i>	82.1%	74.5%	<b>-7.7</b>	335,722	317,327	-18,395
<i>District of Columbia</i>	75.4%	70.9%	<b>-4.4</b>	226,174	229,965	3,792
<i>Florida</i>	70.6%	63.5%	<b>-7.2</b>	5,447,127	5,385,016	-62,111
<i>Georgia</i>	77.1%	65.7%	<b>-11.4</b>	3,165,785	2,923,573	<b>-242,212</b>
<i>Hawaii</i>	80.3%	77.4%	-2.9	499,898	485,217	-14,681
<i>Idaho</i>	69.9%	63.7%	<b>-6.2</b>	466,476	454,251	-12,225
<i>Illinois</i>	77.6%	69.9%	<b>-7.7</b>	4,998,360	4,221,669	<b>-776,691</b>
<i>Indiana</i>	81.6%	73.9%	<b>-7.7</b>	2,554,790	2,122,154	<b>-432,636</b>
<i>Iowa</i>	79.1%	73.2%	<b>-5.9</b>	1,228,200	1,154,748	<b>-73,452</b>
<i>Kansas</i>	76.2%	70.5%	<b>-5.6</b>	1,036,700	953,032	<b>-83,668</b>
<i>Kentucky</i>	77.2%	68.8%	<b>-8.3</b>	1,541,906	1,376,557	<b>-165,349</b>
<i>Louisiana</i>	69.6%	62.8%	<b>-6.8</b>	1,370,157	1,182,556	<b>-187,602</b>
<i>Maine</i>	75.7%	69.5%	<b>-6.2</b>	511,767	458,522	<b>-53,246</b>
<i>Maryland</i>	82.1%	75.2%	<b>-6.9</b>	2,266,718	2,222,574	-44,144
<i>Massachusetts</i>	81.0%	79.6%	-1.4	2,807,505	2,576,909	<b>-230,596</b>
<i>Michigan</i>	82.6%	70.1%	<b>-12.5</b>	4,219,378	2,993,791	<b>-1,225,587</b>
<i>Minnesota</i>	79.1%	74.0%	<b>-5.1</b>	2,327,293	2,052,020	<b>-275,273</b>
<i>Mississippi</i>	71.0%	65.3%	<b>-5.6</b>	935,068	815,931	<b>-119,137</b>
<i>Missouri</i>	78.5%	70.5%	<b>-8.0</b>	2,310,488	1,946,649	<b>-363,839</b>
<i>Montana</i>	64.7%	57.9%	<b>-6.8</b>	298,526	270,599	<b>-27,927</b>
<i>Nebraska</i>	73.9%	69.8%	<b>-4.1</b>	695,313	667,293	-28,020
<i>Nevada</i>	76.5%	65.5%	<b>-11.0</b>	823,001	828,063	5,062
<i>New Hampshire</i>	82.5%	76.8%	<b>-5.7</b>	566,607	529,104	<b>-37,504</b>
<i>New Jersey</i>	82.3%	73.3%	<b>-9.1</b>	3,578,787	3,013,998	<b>-564,788</b>
<i>New Mexico</i>	61.9%	58.4%	-3.5	522,668	499,273	-23,395

TABLE 8 (CONTINUED)

State	ESI COVERAGE (%)			ESI COVERAGE (#)		
	2000/2001	2010/2011	Percentage-point change	2000/2001	2010/2011	Change
<i>New York</i>	74.5%	69.6%	<b>-5.0</b>	6,816,332	6,132,214	<b>-684,118</b>
<i>North Carolina</i>	75.1%	66.0%	<b>-9.1</b>	3,082,064	2,906,087	<b>-175,977</b>
<i>North Dakota</i>	71.6%	69.8%	-1.9	255,304	259,050	3,746
<i>Ohio</i>	81.0%	72.0%	<b>-9.0</b>	4,747,606	3,865,921	<b>-881,685</b>
<i>Oklahoma</i>	67.6%	66.6%	-1.0	1,140,148	1,136,440	-3,708
<i>Oregon</i>	72.0%	68.4%	<b>-3.5</b>	1,311,267	1,254,774	-56,492
<i>Pennsylvania</i>	83.1%	75.5%	<b>-7.6</b>	5,230,126	4,541,685	<b>-688,441</b>
<i>Rhode Island</i>	80.7%	72.3%	<b>-8.3</b>	430,586	366,194	<b>-64,392</b>
<i>South Carolina</i>	78.5%	65.5%	<b>-13.0</b>	1,524,954	1,311,827	<b>-213,127</b>
<i>South Dakota</i>	72.3%	67.2%	<b>-5.1</b>	292,653	280,752	-11,901
<i>Tennessee</i>	74.1%	67.4%	<b>-6.7</b>	2,132,122	1,982,772	<b>-149,351</b>
<i>Texas</i>	68.5%	62.7%	<b>-5.7</b>	6,982,826	7,385,111	<b>402,285</b>
<i>Utah</i>	76.7%	72.9%	<b>-3.8</b>	875,221	932,008	<b>56,787</b>
<i>Vermont</i>	74.5%	69.0%	<b>-5.5</b>	256,927	238,403	-18,524
<i>Virginia</i>	78.2%	70.6%	<b>-7.6</b>	2,849,918	2,770,905	-79,013
<i>Washington</i>	73.0%	69.1%	<b>-3.9</b>	2,204,898	2,292,831	87,933
<i>West Virginia</i>	75.0%	73.7%	-1.3	609,260	575,544	-33,716
<i>Wisconsin</i>	81.4%	72.9%	<b>-8.5</b>	2,390,950	2,111,896	<b>-279,054</b>
<i>Wyoming</i>	70.1%	66.2%	-3.8	184,841	196,123	11,282

\* Table compares combined data from 2000 and 2001 with combined data from 2010 and 2011 to provide sufficient sample sizes to make reliable estimates for small states.

**Note:** Bolded numbers are statistically significant at the 5 percent level.

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

and employers must pay at least part of their insurance premiums.

5. Changes in industry classification make it impossible to compare 2010 with years earlier than 2002.
6. Elsewhere in this paper, "young adults" are defined as 18- to 24-year-olds. In this section on health reform, young adults refer to 19- to 25-year-olds to best capture those most directly affected by this particular provision.
7. The second set of numbers in Table 7 displays the number of people with ESI in both sets of years, including the difference between the years. Declining coverage rates

accompanied by increases in the number insured reflect the fact that the increases did not keep pace with population growth. Another analysis would be to compare the absolute level of people with coverage in the latter period with the level that would have occurred had the rate remained the same as in the earlier period (i.e., multiplying the population in the latter period by the coverage rate in the earlier period). The same fundamental point also applies to Table 8 and Table 9.



TABLE 9

Employer-sponsored health insurance coverage for population under 18, by state, 2000/2001 to 2010/2011

State	ESI COVERAGE (%)			ESI COVERAGE (#)		
	2000/2001	2010/2011	Percentage-point change	2000/2001	2010/2011	Change
<i>NATIONWIDE</i>	65.8%	54.8%	<b>-11.0</b>	47,669,469	40,645,782	<b>-7,023,687</b>
<i>Alabama</i>	65.7%	55.8%	<b>-9.9</b>	746,676	644,506	<b>-102,170</b>
<i>Alaska</i>	59.9%	54.0%	<b>-5.9</b>	114,687	102,464	-12,223
<i>Arizona</i>	59.3%	50.1%	<b>-9.2</b>	880,331	823,205	-57,126
<i>Arkansas</i>	57.6%	46.5%	<b>-11.2</b>	399,187	324,905	<b>-74,283</b>
<i>California</i>	58.3%	49.2%	<b>-9.1</b>	5,660,084	4,597,284	<b>-1,062,800</b>
<i>Colorado</i>	69.6%	60.6%	<b>-9.1</b>	807,209	754,236	-52,973
<i>Connecticut</i>	77.8%	67.4%	<b>-10.4</b>	640,577	552,778	<b>-87,799</b>
<i>Delaware</i>	73.6%	63.0%	<b>-10.6</b>	146,411	130,375	-16,036
<i>District of Columbia</i>	54.4%	44.2%	<b>-10.2</b>	60,433	47,019	<b>-13,414</b>
<i>Florida</i>	59.7%	50.7%	<b>-9.0</b>	2,289,886	2,013,758	<b>-276,129</b>
<i>Georgia</i>	65.4%	50.6%	<b>-14.7</b>	1,487,608	1,273,727	<b>-213,881</b>
<i>Hawaii</i>	66.2%	57.7%	<b>-8.5</b>	201,708	177,718	-23,990
<i>Idaho</i>	62.9%	50.5%	<b>-12.4</b>	238,914	216,060	-22,853
<i>Illinois</i>	70.8%	55.0%	<b>-15.8</b>	2,206,203	1,698,636	<b>-507,567</b>
<i>Indiana</i>	75.4%	59.4%	<b>-15.9</b>	1,119,847	952,363	<b>-167,484</b>
<i>Iowa</i>	78.2%	63.6%	<b>-14.6</b>	565,249	461,242	<b>-104,007</b>
<i>Kansas</i>	69.3%	58.1%	<b>-11.2</b>	455,607	418,012	-37,595
<i>Kentucky</i>	63.0%	55.1%	<b>-7.9</b>	630,503	559,916	<b>-70,587</b>
<i>Louisiana</i>	57.9%	41.6%	<b>-16.4</b>	715,000	473,796	<b>-241,204</b>
<i>Maine</i>	67.6%	59.9%	<b>-7.7</b>	186,683	161,491	-25,193
<i>Maryland</i>	79.0%	63.2%	<b>-15.8</b>	1,109,812	858,415	<b>-251,397</b>
<i>Massachusetts</i>	71.0%	69.7%	-1.3	998,137	993,930	-4,207
<i>Michigan</i>	75.9%	60.1%	<b>-15.7</b>	1,863,512	1,391,798	<b>-471,714</b>
<i>Minnesota</i>	77.6%	68.3%	<b>-9.3</b>	928,421	875,283	-53,138
<i>Mississippi</i>	54.3%	44.3%	<b>-9.9</b>	425,012	337,155	<b>-87,857</b>
<i>Missouri</i>	71.8%	59.4%	<b>-12.3</b>	1,015,084	831,891	<b>-183,193</b>
<i>Montana</i>	59.0%	49.8%	<b>-9.2</b>	131,821	109,372	<b>-22,449</b>
<i>Nebraska</i>	67.0%	61.4%	<b>-5.6</b>	294,098	283,469	-10,629
<i>Nevada</i>	70.7%	56.9%	<b>-13.8</b>	402,507	376,094	-26,412
<i>New Hampshire</i>	79.9%	72.6%	<b>-7.3</b>	233,312	203,764	<b>-29,549</b>
<i>New Jersey</i>	77.5%	64.0%	<b>-13.5</b>	1,500,034	1,309,583	<b>-190,452</b>
<i>New Mexico</i>	49.0%	42.9%	<b>-6.1</b>	245,260	220,536	-24,724

TABLE 9 (CONTINUED)

State	ESI COVERAGE (%)			ESI COVERAGE (#)		
	2000/2001	2010/2011	Percentage-point change	2000/2001	2010/2011	Change
<i>New York</i>	63.6%	56.6%	<b>-7.0</b>	2,918,318	2,441,481	<b>-476,837</b>
<i>North Carolina</i>	63.5%	49.1%	<b>-14.4</b>	1,310,696	1,141,277	<b>-169,419</b>
<i>North Dakota</i>	62.5%	66.0%	3.5	86,167	101,691	<b>15,524</b>
<i>Ohio</i>	72.9%	58.0%	<b>-14.9</b>	1,982,093	1,557,349	<b>-424,743</b>
<i>Oklahoma</i>	53.7%	50.8%	-3.0	468,801	478,690	9,889
<i>Oregon</i>	64.8%	55.4%	<b>-9.4</b>	563,943	476,376	<b>-87,568</b>
<i>Pennsylvania</i>	75.0%	62.4%	<b>-12.6</b>	2,089,869	1,705,816	<b>-384,054</b>
<i>Rhode Island</i>	71.9%	61.6%	<b>-10.3</b>	176,515	139,165	<b>-37,350</b>
<i>South Carolina</i>	65.9%	49.2%	<b>-16.7</b>	668,599	526,884	<b>-141,714</b>
<i>South Dakota</i>	69.8%	57.0%	<b>-12.8</b>	128,521	113,544	-14,977
<i>Tennessee</i>	62.6%	52.3%	<b>-10.3</b>	881,296	775,782	<b>-105,514</b>
<i>Texas</i>	56.4%	45.4%	<b>-11.0</b>	3,462,545	3,153,801	<b>-308,743</b>
<i>Utah</i>	74.0%	68.2%	<b>-5.8</b>	537,743	600,399	<b>62,656</b>
<i>Vermont</i>	70.3%	56.6%	<b>-13.7</b>	93,855	70,133	<b>-23,722</b>
<i>Virginia</i>	69.8%	63.9%	<b>-5.9</b>	1,269,487	1,197,290	-72,196
<i>Washington</i>	63.5%	50.5%	<b>-13.0</b>	964,593	814,437	<b>-150,156</b>
<i>West Virginia</i>	62.4%	57.5%	-4.9	244,068	225,331	-18,736
<i>Wisconsin</i>	79.5%	65.6%	<b>-13.9</b>	1,040,032	870,335	<b>-169,698</b>
<i>Wyoming</i>	66.5%	59.1%	<b>-7.4</b>	82,515	81,221	-1,294

\* Table compares combined data from 2000 and 2001 with combined data from 2010 and 2011 to provide sufficient sample sizes to make reliable estimates for small states.

**Note:** Bolded numbers are statistically significant at the 5 percent level.

**Source:** Author's analysis of Current Population Survey Annual Social and Economic Supplement microdata

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