



EPI BRIEFING PAPER

ECONOMIC POLICY INSTITUTE • NOVEMBER 5, 2013 • BRIEFING PAPER #368

PUBLIC INSURANCE IS INCREASINGLY CRUCIAL TO AMERICAN FAMILIES EVEN AS EMPLOYER-SPONSORED HEALTH INSURANCE COVERAGE ENDS ITS STEADY DECLINE

BY ELISE GOULD

Americans under age 65 rely on a healthy labor market for almost all facets of economic security. This is particularly true for access to health care, as most non-elderly Americans rely on health insurance offered through the workplace. Thus, employer-sponsored health insurance (ESI) coverage rates tend to track the overall health of the economy.

The Great Recession, which began in late 2007, officially ended in the summer of 2009, but the economy continued to lose jobs through early 2010. Then, through the middle of 2011, the number of jobs increased, but it was not adequate to keep up with population growth. Consequently, the share of Americans with ESI declined in the Great Recession and its immediate aftermath. In 2012, however, there was some improvement in the condition of the economy; most notably, the share of the working-age population with a job rebounded slightly. As a result, the long-standing downward trend in ESI coverage appears to have come to an end.

However, job growth has not always translated into an increase in those covered by employer-sponsored health insurance. In the expansion of the mid-2000s, economic growth was not broadly shared, and ESI coverage continued to decline. While falling coverage in that period was aggravated by increasing health care prices and declining worker bargaining power, more recent declines in employment-based coverage have been slowed by safety-net provisions in the Affordable Care Act that enabled many young adults to join or remain on their parents' health insurance policies, and by declining medical care inflation.

From 2000 to 2012, the share of non-elderly Americans (those under age 65) with ESI fell a total of 10.8 percentage points, to 58.4 percent. As many as 29 million more people under age 65 would have had ESI in 2012 if the coverage rate had remained at the 2000 level (69.2 percent). This large decline in ESI coverage has been accompanied by an increase in the number of Americans without health insurance of any kind, ESI or otherwise. The number of uninsured non-elderly Americans was 47.3 million in 2012—11.1 million higher than in 2000. The share of non-elderly Americans without insurance increased from 14.7 percent in 2000 to 17.7 percent in 2012. Increasing *public* insurance coverage, particularly among children, is the only reason the uninsured rate did not rise one-for-one with losses in ESI.

This briefing paper begins by documenting the trends 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 and have not found insurance elsewhere. It next analyzes trends in ESI coverage rates 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 2012, the share of non-elderly Americans with employer-sponsored health insurance did not decline for the first time in 12 years. After falling every year since 2000, for a total decline of 10.9 percentage points to 2011, coverage was essentially flat between 2011 and 2012, increasing slightly to 58.4 percent. In 2012, 13.7 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 2012 if the ESI coverage rate had remained at its 2000 level. Both genders and people of all ages, races, and education levels suffered declines in employer-based coverage since 2000.
- Workers age 18 to 64 lost job-based coverage between 2011 and 2012, and their ESI coverage declined 3.9 percentage points from 2007 (the last business cycle peak) to 2012. On-the-job coverage for strongly attached workers (those who worked at least 20 hours per week for at least half the year) continued its march downward, from 55.4 percent in 2007 to 51.6 percent in 2012. 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) rose 0.7 percentage points between 2011 and 2012, but fell a total of 11.3 percentage points between 2000 and 2012, and the gap in ESI coverage among high- and low-income children widened substantially over this period.

- The decline in ESI coverage from 2000 to 2012 was felt nationwide, with a statistically significant decrease in non-elderly coverage in all but one state. No state had a statistically significant increase in the share of its under-65 population with ESI coverage over this period.
- The decline in ESI coverage over 2000–2012 has been accompanied by an overall decline in health insurance coverage. In 2012, 47.3 million people under age 65 were uninsured, 11.1 million more than in 2000.
- Workers age 18 to 64 were nearly 30 percent more likely to be uninsured in 2012 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.
- Public health insurance is responsible for keeping millions from becoming uninsured, as job-based coverage sharply declined between 2000 and 2012. Public insurance covered 25.3 million more people under age 65 in 2012 than in 2000.
- Critical provisions in the Patient Protection and Affordable Care Act, informally known as health reform, have helped offset recent declines in ESI coverage by insuring young adults through their parents' health insurance policies.
- Early signs of success suggest that health reform will insure millions more Americans as the insurance exchanges become operational.

Overall health insurance trends among the entire under-65 population

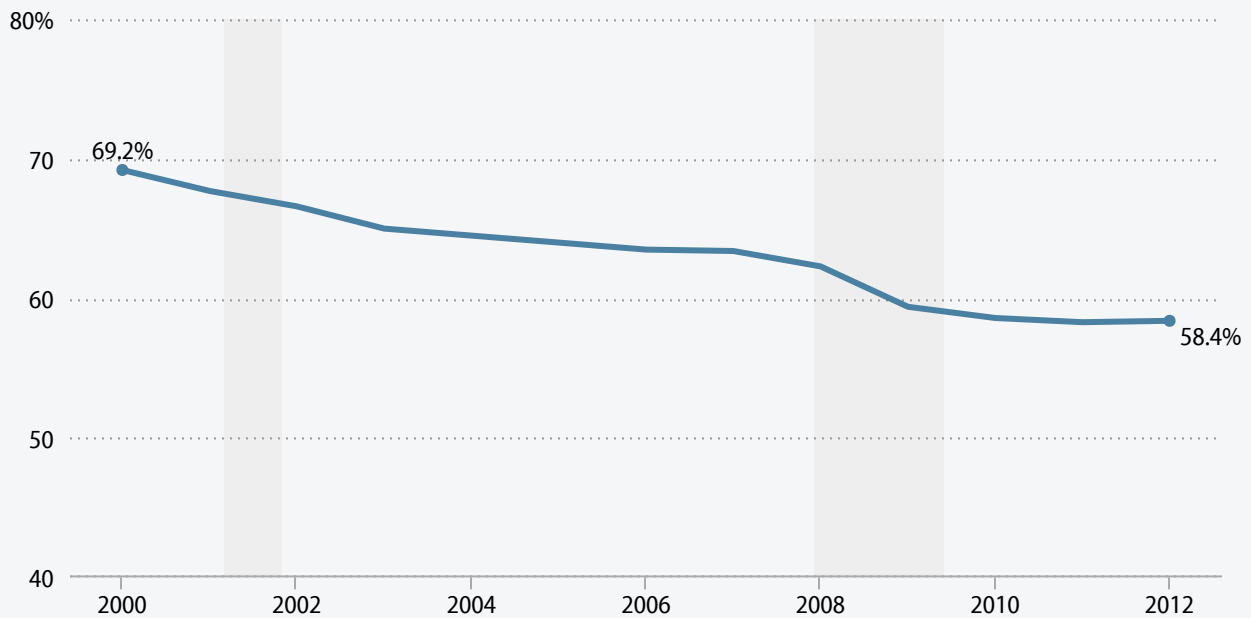
For the entire under-65 population in the United States, employer-sponsored health insurance remains the predominant form of coverage; 58.4 percent of this population is covered by ESI. However, as shown in **Figure A**, coverage through work eroded each year from 2000 to 2011, declining by a total of 10.9 percentage points before increasing slightly (0.1 percentage point) in 2012. While an improving job market in 2012 helped end more than a decade of declining coverage, positive economic conditions are not sufficient for increasing ESI rates; ESI coverage fell 5.8 percentage points over the previous full business cycle, from the cycle's peak in 2000 to its peak in 2007. The declines continued at a slower pace even in the years of that business cycle when the economy grew; however, that growth was not broadly shared, meaning gains were not experienced throughout the wage distribution. The relatively small declines in coverage leading up to the business cycle peak in 2007 increased in magnitude as the recession took hold in 2008, grew further as the unemployment rate soared in 2009, and continued to stay large through 2011.

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 2012, the share of those under age 65 who were uninsured was 17.7 percent. Since 2007, the uninsured rate increased by 1.9 percentage points to 2010, then fell by 0.8 percentage points from 2010 to 2012. From 2000 to 2012, the uninsured rate rose a total of 2.9 percentage points. In 2012, 47.3 million people under age 65 were uninsured, up by roughly 3.9 million people since the business cycle peak in 2007. The number of uninsured non-elderly Americans was 11.1 million higher in 2012 than 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 25.3 million more people

FIGURE A [VIEW INTERACTIVE on epi.org](#)

Share of the under-65 population with employer-sponsored health insurance, 2000–2012



Note: Shaded areas denote recessions.

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

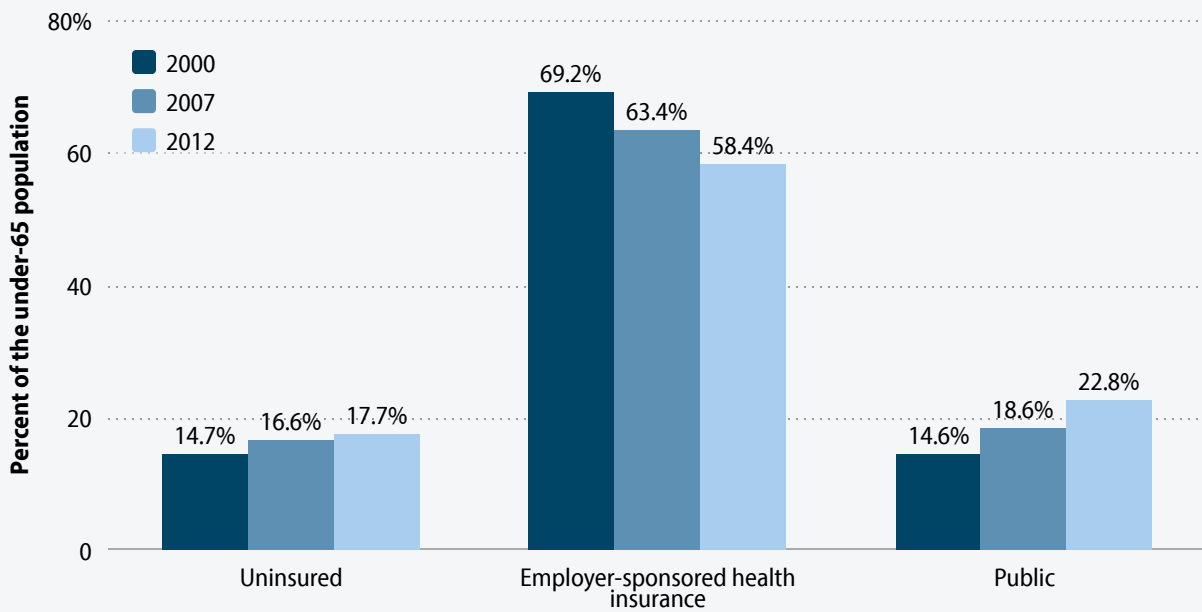
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under age 65 in 2012 than in 2000. As shown in Figure B, public coverage increased 4.3 percentage points from 2007 to 2012 and 8.3 percentage points from 2000 to 2012, partially offsetting losses in ESI. Non-group or direct purchase insurance coverage (not shown) remained relatively flat over the entire period. It fell slightly during the Great Recession, but increased in the recovery to 7.3 percent in 2012, approximately its average level in the 2000s. Overall, non-group coverage has failed to compensate for the losses in ESI. This (non-employer-based) private coverage bears watching next year as many Americans find their way into the new health insurance exchanges. These exchanges will turn the current non-group market into one with less discrimination against those with preexisting conditions, more choice, and better prices (likely both for those who receive subsidies and those who do not).

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 between 2008 and 2009—a sharp drop of 2.9 percentage points—but the decline persisted in 2010 as the unemployment rate continued to rise and even as the unemployment rate fell slightly in 2011. ESI coverage declined a total of 5.1 percentage points between 2007 and 2011 before essentially leveling off, increasing slightly (0.1 percentage point) between 2011 and 2012 (**Table 1**). This resulted in a total loss of 10.8 percentage points from 2000 to 2012. Just over half a million more people under age 65 had ESI in 2012 than in 2011; however, 13.7 million fewer had this coverage in 2012 than in 2000. It is important to note that these numbers fail to show the true extent of the erosion

FIGURE B [VIEW INTERACTIVE on epi.org](#)

Sources of health insurance coverage for the under-65 population, 2000, 2007, 2012



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

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because they ignore population growth from 2000 to 2012. As many as 29 million more people under age 65 would have had ESI in 2012 if the coverage rate had remained at the 2000 level.

Coverage losses occurred across all age groups between 2000 and 2012, 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.)

Though children (age 0–17) and prime-working-age adults (age 25–54) got a slight reprieve in 2012 from the unabated losses between 2000 and 2011, they experienced the greatest declines in ESI between 2000 and 2012. The slight reversal of trend notwithstanding, coverage declined for males and females alike and across racial and ethnic classifications between 2000 and 2012. As depicted in **Figure C**, racial and ethnic disparities in coverage have persisted over time, with non-Hispanic whites in 2012 experiencing rates of ESI coverage 69 percent higher than those of Hispanics and 42 percent higher than those of blacks. Table 1 shows that ESI coverage among the native born is 32 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 over three times more likely to have ESI than those with less than a high school education.¹ Just under half (49.7 percent) of those

TABLE 1

Employer-sponsored health insurance coverage for the under-65 population, by various characteristics, 2000–2012

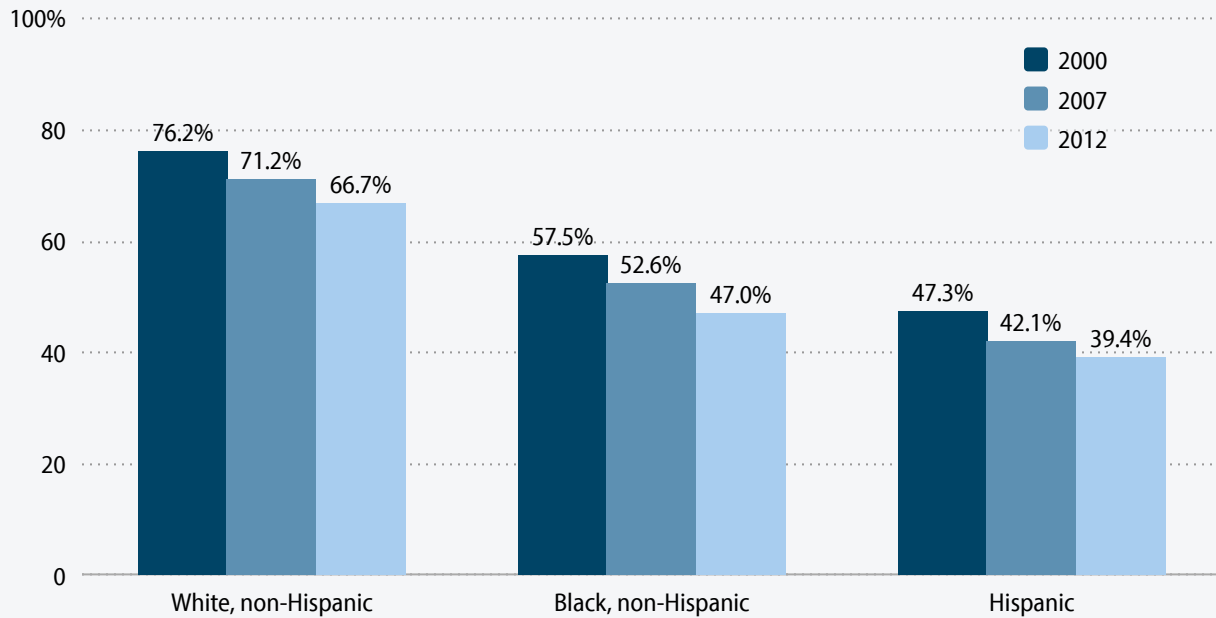
	Share with ESI				Percentage-point change			
	2000	2007	2011	2012	2000–2007	2007–2012	2011–2012	2000–2012
<i>Under-65 population</i>	69.2%	63.4%	58.3%	58.4%	-5.8	-5.0	0.1	-10.8
Age								
<i>0–17</i>	66.7%	59.8%	54.7%	55.4%	-6.9	-4.4	0.7	-11.3
<i>18–24</i>	55.1%	50.1%	46.3%	45.7%	-5.0	-4.4	-0.6	-9.4
<i>25–54</i>	73.8%	67.4%	61.8%	61.8%	-6.4	-5.6	0.0	-12.0
<i>55–64</i>	68.9%	68.0%	63.5%	63.2%	-0.9	-4.8	-0.3	-5.7
Gender								
<i>Male</i>	69.1%	63.1%	58.3%	58.4%	-6.0	-4.7	0.1	-10.7
<i>Female</i>	69.3%	63.7%	58.4%	58.5%	-5.6	-5.2	0.1	-10.8
Race								
<i>White, non-Hispanic</i>	76.2%	71.2%	66.8%	66.7%	-5.0	-4.5	-0.2	-9.5
<i>Black, non-Hispanic</i>	57.5%	52.6%	46.7%	47.0%	-4.9	-5.6	0.3	-10.5
<i>Hispanic</i>	47.3%	42.1%	38.8%	39.4%	-5.2	-2.7	0.6	-7.9
<i>Other</i>	65.8%	62.7%	57.4%	59.1%	-3.1	-3.6	1.8	-6.7
Nativity								
<i>Native born</i>	71.2%	65.6%	60.3%	60.3%	-5.6	-5.3	0.0	-10.9
<i>Foreign born</i>	53.8%	48.3%	45.2%	45.8%	-5.5	-2.5	0.6	-8.0
Education*								
<i>Less than high school</i>	40.3%	30.8%	27.0%	26.4%	-9.5	-4.4	-0.6	-13.9
<i>High school</i>	66.8%	57.1%	50.3%	49.7%	-9.7	-7.4	-0.6	-17.1
<i>Some college</i>	74.1%	67.5%	59.8%	59.7%	-6.6	-7.8	-0.1	-14.4
<i>College</i>	83.9%	80.3%	76.5%	76.5%	-3.6	-3.8	0.0	-7.4
<i>Post-college</i>	88.0%	85.8%	83.7%	83.3%	-2.2	-2.5	-0.5	-4.7
Household income fifth								
<i>Lowest</i>	29.2%	22.1%	15.8%	15.5%	-7.1	-6.6	-0.3	-13.7
<i>Second</i>	63.1%	54.1%	43.1%	43.7%	-9.0	-10.4	0.6	-19.4
<i>Middle</i>	78.1%	72.2%	65.7%	66.3%	-5.9	-5.9	0.5	-11.8
<i>Fourth</i>	86.7%	82.5%	80.4%	80.0%	-4.2	-2.5	-0.4	-6.7
<i>Highest</i>	89.2%	87.3%	86.9%	86.7%	-1.9	-0.6	-0.1	-2.5

* Education reflects own education for individuals 18 and older and reflects family head's education for children under 18. Education categories are mutually exclusive.

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

with a high school degree only have job-based coverage, compared with more than three-fourths (76.5 percent) of those with a college degree only.

Share of the under-65 population with employer-sponsored health insurance, by race and ethnicity, 2000, 2007, 2012



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

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As with education, higher household incomes are strongly associated with an increased likelihood of having employer-sponsored insurance coverage. In 2012, only 15.5 percent of those with household incomes in the bottom fifth (below \$23,000 annually) had ESI, compared with 86.7 percent of those in the top fifth (above \$116,702 annually)—a five-and-a-half-fold difference in the likelihood of being insured through work. Each income group experienced losses from 2000 to 2012; however, the declines were much greater for those at the bottom of the income scale. While those in the second-lowest fifth had the largest uptick in coverage between 2011 and 2012, they generally fared the worst over 2000–2012. Following the onset of the recession, they experienced a decline of 11.0 percentage points from 2007 to 2011, and a total decline of 19.4 percentage points from 2000 to 2012. While in percentage-point terms the bottom fifth fell less far than the second-lowest fifth from 2000 to 2012 (13.7 percentage points versus 19.4 percentage points), the rate of coverage loss for the bottom fifth was 47 percent over this period, compared with 31 percent for the second-lowest fifth and 3 percent for the top fifth.

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 cohort: 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 (67.7 percent) than among the under-65 population in general (58.4 percent). As shown in **Table 2**, workers' declines in coverage have also been smaller—8.1 percentage points from 2000 to 2012 (compared with 10.8 percentage points for the entire under-65 population) and 3.9 percentage points from 2007 to 2012 (compared with 5.0 percentage points). However, between 2011 and 2012, ESI coverage among workers continued falling as it has since 2007, but ESI coverage among the entire under-65 population did not continue to fall. That trend may be somewhat surprising; a strict look at the labor market would suggest that ESI coverage for workers would have stopped falling as well, given both that ESI is secured via work and that the job market did pick up slightly between 2011 and 2012. These findings make clear that the increase in overall ESI coverage is primarily due to a rise in dependent coverage through family plans, not worker-only plans. This is in part due to the presence of the Affordable Care Act. For example, as noted previously (and as will be examined in more detail later in this paper), in 2010 a provision in the act took effect allowing young adults to stay on or join their parents' ESI.

In the last full business cycle, 2000 to 2007, ESI coverage among workers fell by 4.2 percentage points, increasing in only one year, from 2006 to 2007 as the economy expanded. The 3.9 percentage-point decline from 2007 to 2012 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 (66.6 percent versus 68.9 percent), but women experienced larger declines from 2007 to 2012. 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 3.3 percentage points from 2007 to 2012, in contrast to a 5.0 percentage-point decline for black non-Hispanic workers.

Native-born workers are 35 percent more likely to be covered than foreign-born workers. The coverage gap remained relatively constant at about 18 percentage points over the entire 2000–2012 period, but the foreign born had larger losses over the last full business cycle, while the native born experienced greater losses since 2007.

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 79.8 percent and 60.2 percent, respectively. In addition, from 2000 to 2012, high school-educated workers experienced declines over twice as large as those of workers with a college degree (13.0 percentage points versus 6.0 percentage points). This widened the ESI coverage gap between high school and college graduates from a nearly 13 percentage-point difference to a roughly 20 percentage-point difference, meaning that college graduates were 33 percent more likely to have ESI in 2012, compared with a 17 percent greater likelihood in 2000. The differences in coverage and growth in disparities are even starker when comparing those with less than a high school degree and those with post-college education. Coverage rates in 2012 stood at 35.2 percent and 86.3 percent, respectively, and coverage declined 15.2 and 4.0 percentage points, respectively, from 2000 to 2012.

TABLE 2

Employer-sponsored health insurance coverage for workers 18–64 years old, by various characteristics, 2000–2012

	Share with ESI				Percentage-point change			
	2000	2007	2011	2012	2000–2007	2007–2012	2011–2012	2000–2012
<i>All workers</i>	75.8%	71.6%	68.2%	67.7%	-4.2	-3.9	-0.6	-8.1
Gender								
<i>Male</i>	74.8%	69.9%	67.2%	66.6%	-4.9	-3.3	-0.6	-8.2
<i>Female</i>	76.8%	73.4%	69.4%	68.9%	-3.4	-4.5	-0.5	-7.9
Race								
<i>White, non-Hispanic</i>	80.4%	76.8%	74.1%	73.5%	-3.6	-3.3	-0.6	-6.9
<i>Black, non-Hispanic</i>	69.8%	66.7%	62.6%	61.7%	-3.1	-5.0	-0.9	-8.1
<i>Hispanic</i>	55.2%	50.8%	48.0%	48.0%	-4.4	-2.8	0.0	-7.2
<i>Other</i>	72.0%	70.4%	66.8%	67.8%	-1.6	-2.6	1.0	-4.2
Nativity								
<i>Native born</i>	78.3%	74.6%	71.4%	70.6%	-3.7	-4.0	-0.8	-7.7
<i>Foreign born</i>	60.4%	54.9%	52.2%	52.5%	-5.5	-2.4	0.3	-7.9
Education*								
<i>Less than high school</i>	50.4%	40.6%	37.5%	35.2%	-9.8	-5.4	-2.3	-15.2
<i>High school</i>	73.2%	66.2%	61.5%	60.2%	-7.0	-6.0	-1.3	-13.0
<i>Some college</i>	77.7%	73.2%	68.0%	67.3%	-4.5	-5.9	-0.8	-10.4
<i>College</i>	85.9%	83.1%	80.0%	79.8%	-2.8	-3.3	-0.1	-6.0
<i>Post-college</i>	90.3%	88.1%	86.6%	86.3%	-2.2	-1.9	-0.3	-4.0
Wage fifth**								
<i>Lowest</i>	51.2%	46.0%	41.3%	40.1%	-5.2	-5.9	-1.1	-11.1
<i>Second</i>	70.2%	63.2%	57.9%	57.8%	-6.9	-5.4	-0.1	-12.3
<i>Middle</i>	81.6%	78.0%	74.5%	73.7%	-3.6	-4.3	-0.8	-7.9
<i>Fourth</i>	87.4%	84.8%	82.4%	82.2%	-2.6	-2.6	-0.2	-5.2
<i>Highest</i>	89.1%	86.1%	85.4%	84.9%	-3.0	-1.2	-0.5	-4.2
Work time								
<i>Full-time</i>	78.6%	74.8%	72.9%	72.3%	-3.8	-2.5	-0.6	-6.3
<i>Part-time</i>	61.6%	55.5%	49.1%	48.5%	-6.1	-7.0	-0.6	-13.1

* Education categories are mutually exclusive.

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

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

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 2000–2012.² Only 40.1 percent of those in the bottom fifth, making at or below \$9.62 an hour, have ESI, while 84.9 percent of those in the top fifth, with hourly earnings at or above \$31.25, have coverage. Disparities in coverage by wage

levels widened over 2000–2012, with those in the top wage fifth being 74 percent more likely to be covered than those in the bottom fifth in 2000, but 112 percent more likely in 2012.

Full-time workers have ESI at far higher rates than part-time workers (72.3 percent versus 48.5 percent). Furthermore, part-time workers experienced a sharper decline in coverage since the start of the recession, with a decrease of 7.0 percentage points (compared with 2.5 percentage points) from 2007 to 2012. Over 2000–2012, their coverage fell 13.1 percentage points (compared with 6.3 percentage points). The gap between full-time and part-time workers grew from 17 percentage points in 2000 to nearly 24 percentage points in 2012.

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 2012 by selected job characteristics.³ 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 five years in a row, declining by 3.8 percentage points from 2007 to 2012. In 2012, only 51.6 percent of these steady workers received health insurance from their employer, down 7.3 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. While service-sector workers experienced the only occupational uptick in coverage between 2011 and 2012, they experienced the largest drop in coverage from 2007 to 2012 (4.9 percentage points) and throughout 2000–2012 (9.3 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 41.9 percent in firms with 10 to 99 employees, 58.5 percent in firms with 100 to 499 workers, 60.8 percent in firms with 500 to 999 employees, and 63.6 percent in firms with 1,000 or more employees. Coverage losses from 2007 to 2012 and over 2000–2012 were greatest among workers in smaller and midsize firms (with 10–499 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. However, whether the Affordable Care Act played a role or not, a simple look at the data between 2011 and 2012 indicates that the smallest of firms did not experience the same drop in coverage that larger firms did.

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 any of their workers require medical care or if their workforce size or composition changes from one year to the next. Tracking these trends alongside individual rates of coverage in the exchanges

TABLE 3

Employer-sponsored health insurance coverage* for “strongly attached” private-sector workers, by occupation, firm size, and industry, 2000–2012**

	Share with ESI				Percentage-point change			
	2000	2007	2011	2012	2000–2007	2007–2012	2011–2012	2000–2012
<i>All workers</i>	58.9%	55.4%	52.3%	51.6%	-3.5	-3.8	-0.6	-7.3
Occupations								
<i>White collar</i>	65.0%	61.9%	59.3%	58.4%	-3.1	-3.5	-0.9	-6.6
<i>Blue collar</i>	59.0%	53.9%	51.5%	50.6%	-5.1	-3.3	-0.9	-8.4
<i>Service</i>	33.9%	29.5%	24.1%	24.6%	-4.4	-4.9	0.5	-9.3
Firm size								
<i>Nine or fewer</i>	30.6%	27.1%	24.6%	24.6%	-3.5	-2.5	0.0	-6.0
<i>10 to 99</i>	50.6%	46.7%	42.0%	41.9%	-3.9	-4.8	-0.1	-8.7
<i>100 to 499</i>	65.9%	63.1%	59.8%	58.5%	-2.8	-4.6	-1.3	-7.4
<i>500 to 999</i>	67.1%	64.9%	62.7%	60.8%	-2.2	-4.1	-1.9	-6.3
<i>1,000 plus</i>	69.9%	67.5%	64.4%	63.6%	-2.4	-3.9	-0.9	-6.3
	2002	2007	2011	2012	2002–2007	2007–2012	2011–2012	2002–2012
Industry***								
<i>Arts, entertainment, recreation, and accommodation</i>	32.5%	31.9%	25.4%	25.3%	-0.6	-6.6	-0.2	-7.2
<i>Construction</i>	47.5%	44.1%	43.4%	41.7%	-3.4	-2.4	-1.6	-5.8
<i>Education, health, and social services</i>	59.4%	60.2%	56.0%	55.9%	0.8	-4.3	-0.1	-3.5
<i>Finance, insurance, and real estate and leasing</i>	65.8%	65.1%	65.5%	64.5%	-0.7	-0.6	-1.0	-1.3
<i>Information</i>	73.0%	72.7%	71.3%	70.8%	-0.3	-1.9	-0.5	-2.2
<i>Manufacturing</i>	72.7%	70.2%	67.8%	67.9%	-2.5	-2.3	0.0	-4.8
<i>Mining</i>	78.4%	73.9%	71.4%	72.0%	-4.5	-1.9	0.6	-6.4
<i>Other services (except public administration)</i>	40.1%	37.4%	34.4%	34.6%	-2.7	-2.8	0.2	-5.5
<i>Professional, scientific, management, and administration</i>	57.4%	56.0%	53.4%	53.1%	-1.4	-2.9	-0.3	-4.3
<i>Transportation and communication</i>	66.9%	63.0%	61.7%	58.3%	-3.9	-4.7	-3.4	-8.6
<i>Wholesale trade</i>	53.9%	51.6%	47.9%	46.2%	-2.3	-5.4	-1.6	-7.7

* 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.

Note: The industry category for agriculture, forestry, fishing, and hunting was removed from this year's analysis due to an issue regarding data consistency.

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

and the large-firm ESI marketplace will be important for assessing the value of the exchanges to small businesses and their employees.

Coverage rates in 2012 differ dramatically according to what sector of the economy strongly attached workers were employed in, ranging from 72.0 percent in the mining industry to 25.3 percent in the arts, entertainment, recreation,

and accommodation industry. Overall, the highest rates of coverage are found in mining; information; and manufacturing; and the lowest in arts, entertainment, recreation, and accommodation; other services (except public administration); and construction. However, all industries experienced declines from 2002 to 2012.⁴ The largest declines were in transportation and communication—with an 8.6 percentage-point decline in employer-sponsored insurance coverage. The smallest declines between 2002 and 2012 were in the finance, insurance, and real estate and leasing industry, with a drop of 1.3 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 2012 (**Table 4**). While there was a slight increase in the share of workers uninsured between 2011 and 2012, the rate of uninsurance among workers has been relatively flat since the recovery began in 2009. Still, workers age 18 to 64 were about 30 percent more likely to be uninsured in 2012 than in 2000.

The share of uninsured workers increased slightly more during the full business cycle from 2000 to 2007 (increasing 2.5 percentage points) than it did in the recession that began in December 2007 (increasing 2.0 percentage points from 2007 to 2012). The total increase in the share of workers uninsured from 2000 to 2012 was 4.5 percentage points, representing over 7 million more uninsured workers.

Older workers (age 55–64) are more likely to have coverage than any other age group, with only 12.7 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 (21.7 percent versus 17.0 percent). White non-Hispanic workers are far less likely to be uninsured than black and Hispanic workers, with 13.9 percent of whites lacking insurance, compared with 24.2 percent of blacks and 39.4 percent of Hispanics. Native- and foreign-born workers alike saw increases in uninsurance rates over 2000–2012, 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 almost 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 2000–2012. 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 10.4 and 8.3 percentage points, respectively) than did those with a college degree or post-college education (increasing 2.9 and 2.6 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 4.1 million additional workers in the bottom 40 percent were uninsured in 2012 compared with 2000, while only 1.6 million additional workers in the top 40 percent were

TABLE 4

Share of workers 18–64 years old without health insurance, by various characteristics, 2000–2012

	Share uninsured				Percentage-point change			
	2000	2007	2011	2012	2000–2007	2007–2012	2011–2012	2000–2012
<i>All workers</i>	15.0%	17.5%	19.3%	19.5%	2.5	2.0	0.1	4.5
Age								
<i>18–24</i>	24.3%	26.5%	25.1%	25.7%	2.2	-0.8	0.5	1.4
<i>25–34</i>	18.7%	22.4%	25.3%	25.1%	3.7	2.7	-0.3	6.4
<i>35–44</i>	13.2%	16.4%	18.8%	19.0%	3.2	2.6	0.3	5.8
<i>45–54</i>	9.7%	13.3%	15.7%	16.1%	3.6	2.8	0.4	6.4
<i>55–64</i>	9.6%	10.3%	12.9%	12.7%	0.7	2.4	-0.3	3.1
Gender								
<i>Male</i>	16.9%	19.9%	21.4%	21.7%	3.0	1.8	0.3	4.8
<i>Female</i>	12.8%	14.7%	17.1%	17.0%	1.9	2.3	-0.1	4.2
Race								
<i>White, non-Hispanic</i>	10.4%	12.2%	13.7%	13.9%	1.8	1.7	0.3	3.5
<i>Black, non-Hispanic</i>	19.9%	22.0%	23.8%	24.2%	2.1	2.2	0.5	4.3
<i>Hispanic</i>	36.1%	38.9%	39.9%	39.4%	2.8	0.5	-0.5	3.3
<i>Other</i>	18.8%	18.2%	20.0%	18.3%	-0.6	0.1	-1.8	-0.5
Nativity								
<i>Native born</i>	12.3%	14.4%	16.1%	16.3%	2.1	1.9	0.3	4.0
<i>Foreign born</i>	31.7%	34.5%	36.0%	35.4%	2.8	0.9	-0.6	3.7
Education*								
<i>Less than high school</i>	37.9%	44.5%	45.9%	48.3%	6.6	3.8	2.4	10.4
<i>High school</i>	17.9%	23.0%	25.6%	26.2%	5.1	3.2	0.6	8.3
<i>Some college</i>	11.6%	14.4%	17.8%	17.9%	2.8	3.5	0.1	6.3
<i>College</i>	6.8%	8.0%	9.9%	9.7%	1.2	1.7	-0.2	2.9
<i>Post-college</i>	3.4%	4.4%	5.6%	6.0%	1.0	1.6	0.4	2.6
Wage fifth**								
<i>Lowest</i>	31.1%	34.1%	36.7%	36.9%	3.0	2.7	0.2	5.7
<i>Second</i>	19.7%	24.6%	27.1%	26.8%	4.9	2.1	-0.4	7.1
<i>Middle</i>	11.6%	13.8%	15.6%	16.2%	2.2	2.4	0.6	4.6
<i>Fourth</i>	7.1%	8.5%	10.1%	10.0%	1.4	1.5	-0.1	2.9
<i>Highest</i>	5.2%	6.2%	6.9%	7.3%	1.0	1.2	0.4	2.2
Work time								
<i>Full-time</i>	14.3%	16.5%	17.3%	17.6%	2.2	1.1	0.3	3.3
<i>Part-time</i>	18.3%	22.6%	27.5%	27.0%	4.3	4.4	-0.5	8.7

* Education categories are mutually exclusive.

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

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

uninsured over the same period. At the extremes, 36.9 percent of workers in the bottom fifth were uninsured in 2012, while only 7.3 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 53 percent more likely to be uninsured in 2012. Over 2000–2012, lack of insurance coverage grew 3.3 percentage points among full-time workers and 8.7 percentage points among part-time workers. The introduction of insurance exchanges and their accompanying subsidies in 2014 as part of health reform 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 2012. Uninsured workers are disproportionately young. Workers age 18–34 make up 36.3 percent of the total workforce yet 47.1 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 15.9 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 16.3 percent of the overall workforce, they represent 29.7 percent of the uninsured workforce.

Insurance coverage among workers rises consistently with increased educational attainment. Workers with a high school education or less represent 35.3 percent of the workforce, yet they make up 56.9 percent of uninsured workers. Those with a college degree or higher represent about 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 nearly two-thirds of the uninsured. By contrast, the top two-fifths, again 40 percent of workers, represent only 17.8 percent of the uninsured.

Trends in 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 55.4 percent (**Table 6**). Coverage shares for children fell every year from 2000 to 2011, before reversing course in 2012. The increase in children's coverage of 0.7 percentage points between 2011 and 2012 is the first time in 12 years that children's coverage has increased. It is particularly interesting that ESI coverage among children increased as coverage for workers continued to fall.

Between 2000 and 2012, children's ESI coverage rates fell a total of 11.3 percentage points. In 2012, 7.2 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 8.4 million more children would have had ESI in 2012 if the coverage rate had remained at the 2000 level.

TABLE 5

Characteristics of workers 18–64 years old, all versus uninsured, 2012

	All workers	Uninsured workers
Age		
18–24	13.2%	17.4%
25–34	23.1%	29.7%
35–44	22.2%	21.7%
45–54	23.7%	19.5%
55–64	17.8%	11.6%
Gender		
Male	52.6%	58.7%
Female	47.4%	41.3%
Race		
White, non-Hispanic	65.4%	46.9%
Black, non-Hispanic	11.0%	13.7%
Hispanic	15.9%	32.2%
Other	7.6%	7.2%
Nativity		
Native born	83.7%	70.3%
Foreign born	16.3%	29.7%
Education*		
Less than high school	8.3%	20.7%
High school	27.0%	36.2%
Some college	31.0%	28.5%
College	22.1%	11.0%
Post-college	11.7%	3.6%
Wage fifth**		
Lowest	20.0%	37.9%
Second	20.0%	27.5%
Middle	20.0%	16.7%
Fourth	20.0%	10.3%
Highest	20.0%	7.6%
Work time		
Full-time	80.6%	73.1%
Part-time	19.4%	26.9%

* Education categories are mutually exclusive.

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

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

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 as high as the overall rate for workers (67.7 percent), and almost double the rate of Hispanic children (35.6 percent). Black non-Hispanic children experienced the largest losses from 2007 to 2012 (5.6 percent-

TABLE 6

Employer-sponsored health insurance coverage for children under age 18, by various characteristics, 2000–2012

	Share with ESI				Percentage-point change			
	2000	2007	2011	2012	2000–2007	2007–2012	2011–2012	2000–2012
<i>All under 18</i>	66.7%	59.8%	54.7%	55.4%	-6.9	-4.4	0.7	-11.3
Race								
<i>White, non-Hispanic</i>	76.8%	71.1%	67.0%	67.7%	-5.7	-3.4	0.7	-9.1
<i>Black, non-Hispanic</i>	52.6%	46.3%	40.1%	40.7%	-6.3	-5.6	0.6	-11.9
<i>Hispanic</i>	44.0%	38.2%	35.3%	35.6%	-5.8	-2.6	0.3	-8.4
<i>Other</i>	65.9%	61.2%	56.3%	58.2%	-4.7	-3.0	1.9	-7.7
Nativity								
<i>Native born</i>	67.7%	60.6%	55.3%	55.9%	-7.1	-4.7	0.6	-11.8
<i>Foreign born</i>	46.3%	39.6%	39.2%	41.4%	-6.7	1.8	2.2	-4.9
Education of family head*								
<i>Less than high school</i>	35.5%	23.2%	18.8%	19.6%	-12.3	-3.6	0.8	-15.9
<i>High school</i>	64.4%	52.2%	44.2%	44.5%	-12.2	-7.7	0.3	-19.9
<i>Some college</i>	74.2%	66.0%	56.9%	56.6%	-8.2	-9.4	-0.2	-17.6
<i>College</i>	85.9%	82.2%	79.2%	79.3%	-3.7	-2.9	0.1	-6.6
<i>Post-college</i>	88.0%	86.3%	85.9%	84.9%	-1.7	-1.4	-1.0	-3.1
Family income fifth								
<i>Lowest</i>	25.1%	17.2%	13.5%	13.2%	-7.9	-4.0	-0.3	-11.9
<i>Second</i>	56.0%	42.5%	32.4%	34.0%	-13.5	-8.5	1.6	-22.0
<i>Middle</i>	75.8%	68.4%	59.6%	61.4%	-7.4	-7.0	1.8	-14.4
<i>Fourth</i>	87.1%	82.7%	80.0%	80.4%	-4.4	-2.3	0.4	-6.7
<i>Highest</i>	89.8%	88.2%	88.5%	88.0%	-1.6	-0.2	-0.5	-1.8

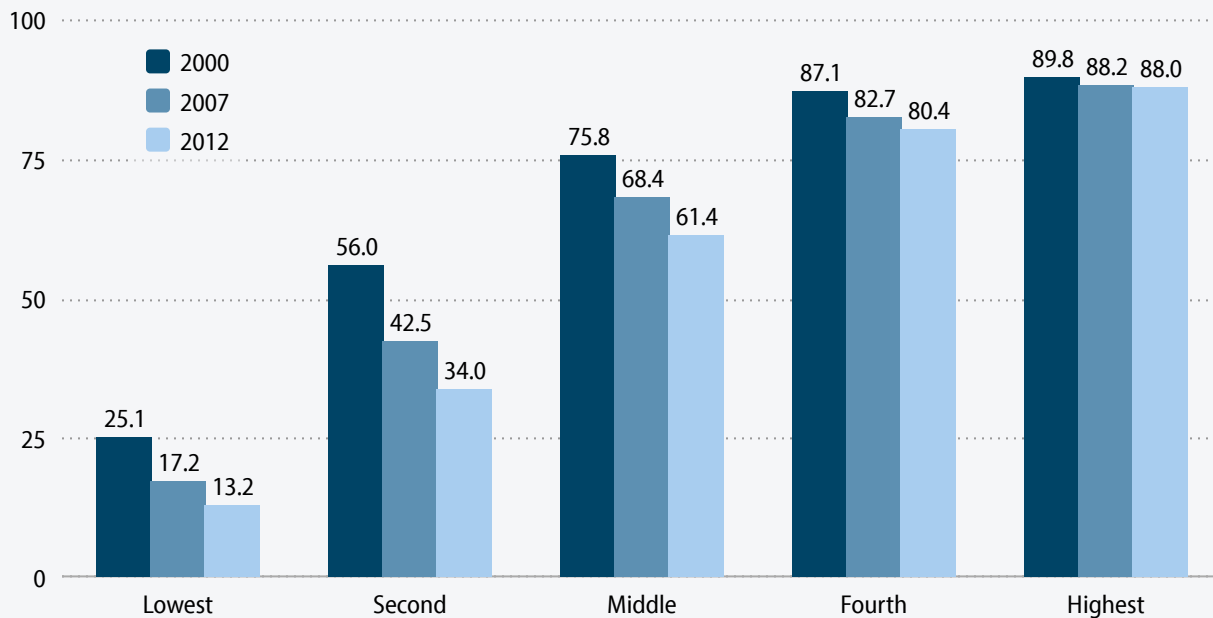
* Education categories are mutually exclusive.

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

age points) and from 2000 to 2012 (11.9 percentage points). Native-born children experienced greater losses than did foreign-born children over 2000–2012, yet their coverage rates are still far higher (55.9 percent versus 41.4 percent).

FIGURE D [VIEW INTERACTIVE on epi.org](#)

Share of children under age 18 with employer-sponsored health insurance, by family income fifth, 2000, 2007, 2012



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

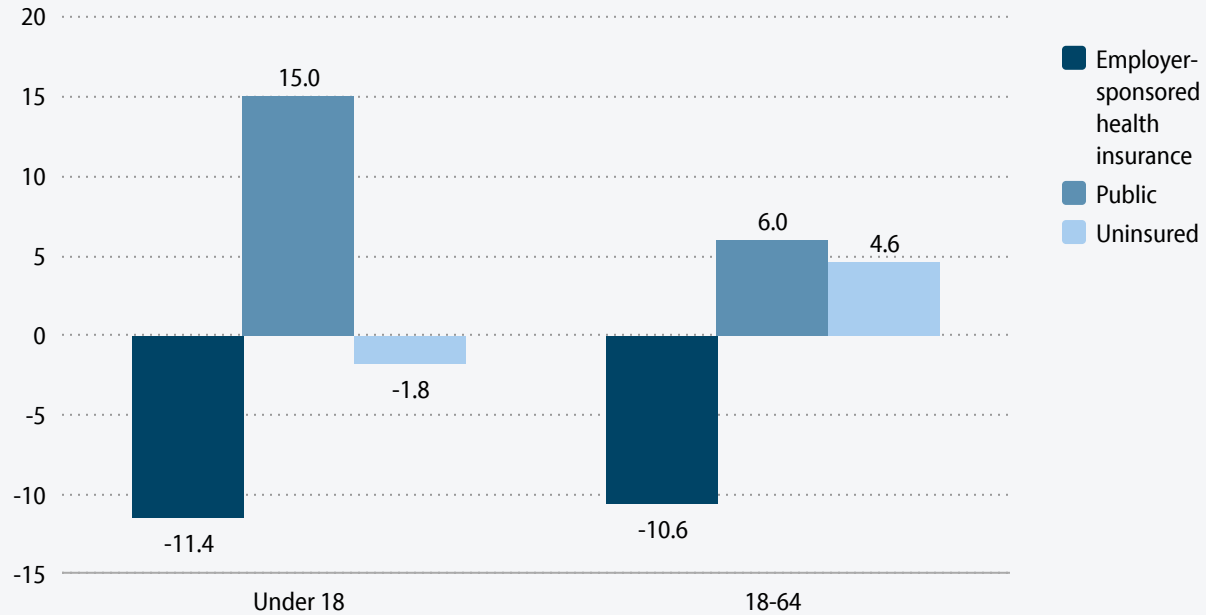
ECONOMIC POLICY INSTITUTE

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 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 2000–2012 as a whole, disparities have widened. The gap between the top fifth and bottom fifth grew 10.0 percentage points over the period, while the gap between the second and fourth fifths grew by 15.3 percentage points.

Publicly provided health insurance stemmed larger losses in overall coverage over 2000–2012

While losses in ESI from 2000 to 2012 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* 1.8 percentage points, while the share of uninsured non-elderly adults *rose* 4.6 percentage points from 2000 to 2012. Given that the share of children and non-elderly adults covered by privately purchased, or non-group, insurance 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.

Percentage-point change in employer-sponsored health insurance coverage rate, public coverage rate, and uninsured rate for under-18 and 18–64 populations, 2000–2012



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

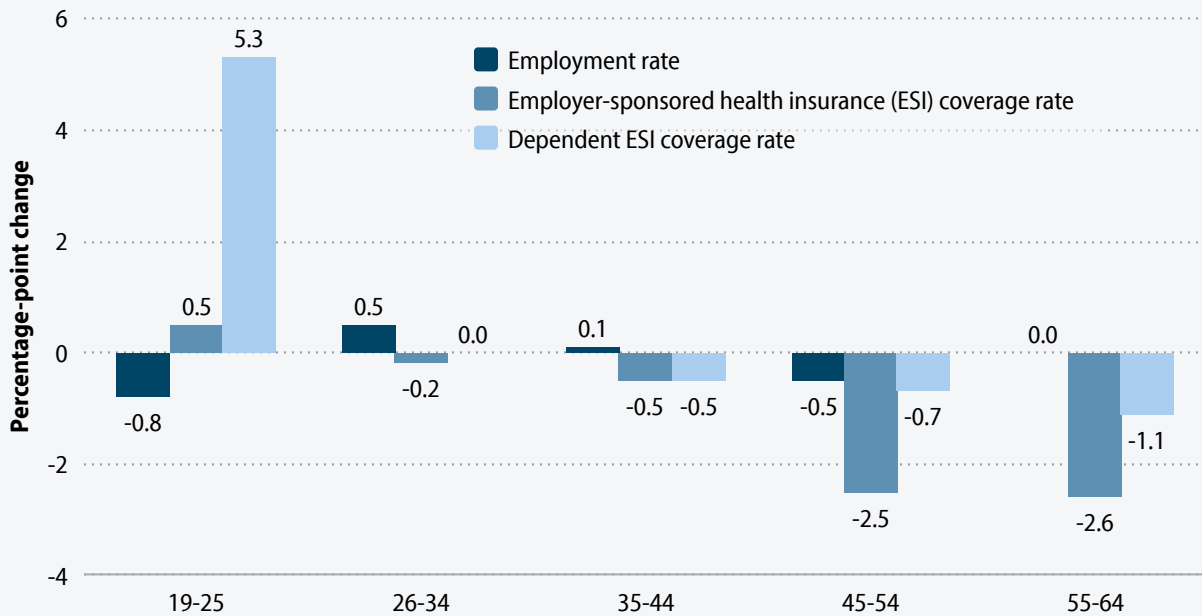
The share of children with public coverage grew 15.0 percentage points from 2000 to 2012, compared with an increase of only 6.0 percentage points for the non-elderly adult population. While both increases lessened the impact of ESI losses on overall coverage rates, only the increase in public coverage 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.

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

Change in employment rate and employer-sponsored health insurance coverage rate (total and as a dependent), by age group, 2009–2012



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

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 2012. Employment rates were more favorable (registering either increases or smaller declines) for every other age group than for young adults between 19 and 25 years old, whose employment rate fell 0.8 percentage points.⁵ At the same time, young adults age 19–25 were the only age group whose ESI coverage rate increased over 2009–2012. 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.

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.

Dependent coverage, generally, is the reason why overall ESI coverage rates stopped falling in 2012, even as ESI among workers continued to decline.

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 2011/2012.

Massachusetts has the highest rate of ESI coverage among the under-65 population, at 70.8 percent in 2011/2012. It is followed by New Hampshire (70.0 percent), Connecticut (69.7 percent), Minnesota (69.0 percent), North Dakota (67.6 percent), and Maryland (67.3 percent). In contrast, less than half of New Mexico's non-elderly population has ESI, at 47.2 percent.

Across the country, on average, ESI coverage for the under-65 population fell 10.1 percentage points from 2000/2001 to 2011/2012. Twenty-two states experienced losses in excess of 10 percentage points over the period. The largest declines in coverage occurred in Nevada, Michigan, Georgia, Ohio, Wisconsin, and Indiana, 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 statistically significant rise in the share of its under-65 population with ESI coverage over that period.⁶

In terms of ESI coverage for workers age 18 to 64, Massachusetts, Hawaii, and Connecticut have the highest coverage rates, at 80.1 percent, 77.3 percent, and 77.1 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 New Mexico (57.8 percent), followed by Montana (59.3 percent), Florida (61.2 percent), and Texas (62.0 percent). The largest declines in job-based coverage among workers from 2000/2001 to 2011/2012 occurred in Michigan, Nevada, Georgia, and South Carolina, each with losses in excess of 10 percentage points, far above the national average decrease of 7.4 percentage points.

When looking at ESI coverage for children, North Dakota and Connecticut lead the country, with coverage rates of 68.7 percent (**Table 9**). They are followed by Massachusetts, Utah, and Minnesota, at 68.3 percent, 68.2 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. New Mexico has the lowest rate of coverage for children, at 40.7 percent, followed by Arkansas (42.6 percent), Texas (46.5 percent), and Louisiana (47.1 percent).

As is the case nationwide, losses in coverage across the states are greatest among children. Twenty-five states had declines from 2000/2001 to 2011/2012 in excess of 10 percentage points. Indiana had the greatest losses in children's ESI coverage (18.2 percentage points), followed by Georgia (16.4 percentage points) and Iowa (15.8 percentage points). Overall, 47 states had statistically significant declines in children's ESI coverage rates. No state had a statistically significant increase.

Conclusion

While 2012 marked the first year in over a decade that the ESI coverage rate for the under-65 population did not decline, employer-sponsored health insurance is failing American families. If the coverage rate had not fallen 10.8 percentage points as it did from 2000 to 2012, as many as 29 million more people under age 65 would have had ESI in

TABLE 7

Employer-sponsored health insurance coverage by state, under-65 population, 2000/2001 to 2011/2012*

State	ESI coverage (%)			ESI coverage (#)		
	2000/2001	2011/2012	Percentage-point change	2000/2001	2011/2012	Change
<i>NATIONWIDE</i>	68.5%	58.4%	-10.1	169,169,181	156,229,339	-12,939,842
<i>Alabama</i>	68.7%	57.9%	-10.8	2,651,881	2,403,572	-248,309
<i>Alaska</i>	63.1%	57.0%	-6.0	372,313	367,253	-5,059
<i>Arizona</i>	63.3%	54.8%	-8.4	2,950,511	3,119,783	169,272
<i>Arkansas</i>	61.4%	50.1%	-11.3	1,387,818	1,227,845	-159,973
<i>California</i>	61.0%	52.6%	-8.4	18,873,334	17,570,002	-1,303,332
<i>Colorado</i>	70.8%	61.4%	-9.4	2,805,245	2,749,188	-56,056
<i>Connecticut</i>	77.9%	69.7%	-8.3	2,252,818	2,097,223	-155,596
<i>Delaware</i>	76.6%	64.4%	-12.2	526,067	490,398	-35,668
<i>District of Columbia</i>	64.4%	57.6%	-6.8	313,807	316,676	2,869
<i>Florida</i>	63.3%	51.8%	-11.5	8,553,829	8,116,090	-437,740
<i>Georgia</i>	68.5%	54.5%	-14.0	5,095,960	4,688,644	-407,316
<i>Hawaii</i>	72.1%	65.9%	-6.1	759,092	754,177	-4,915
<i>Idaho</i>	65.2%	56.7%	-8.5	755,406	765,709	10,304
<i>Illinois</i>	72.0%	60.8%	-11.2	7,869,771	6,680,348	-1,189,423
<i>Indiana</i>	76.4%	63.0%	-13.4	3,983,181	3,418,067	-565,113
<i>Iowa</i>	76.9%	64.5%	-12.4	1,892,558	1,684,175	-208,382
<i>Kansas</i>	71.4%	59.9%	-11.5	1,608,975	1,444,364	-164,611
<i>Kentucky</i>	68.0%	57.5%	-10.4	2,394,051	2,162,009	-232,043
<i>Louisiana</i>	60.3%	53.0%	-7.3	2,330,985	2,054,946	-276,040
<i>Maine</i>	69.6%	60.9%	-8.7	747,262	684,122	-63,140
<i>Maryland</i>	78.5%	67.3%	-11.2	3,654,290	3,428,775	-225,515
<i>Massachusetts</i>	74.1%	70.8%	-3.3	4,080,768	3,956,197	-124,571
<i>Michigan</i>	76.9%	62.5%	-14.4	6,689,809	5,162,150	-1,527,659
<i>Minnesota</i>	77.3%	69.0%	-8.3	3,442,921	3,171,922	-270,999
<i>Mississippi</i>	60.4%	53.7%	-6.7	1,492,193	1,349,367	-142,826
<i>Missouri</i>	72.8%	60.6%	-12.2	3,554,232	3,070,018	-484,214

TABLE 7 (CONTINUED)

State	ESI coverage (%)			ESI coverage (#)		
	2000/2001	2011/2012	Percentage-point change	2000/2001	2011/2012	Change
Montana	59.7%	51.5%	-8.2	457,974	421,601	-36,373
Nebraska	70.2%	63.0%	-7.1	1,041,276	1,002,259	-39,018
Nevada	71.5%	56.4%	-15.1	1,330,279	1,325,159	-5,120
New Hampshire	79.3%	70.0%	-9.3	852,775	784,341	-68,434
New Jersey	76.9%	66.0%	-10.9	5,578,859	4,914,907	-663,951
New Mexico	54.1%	47.2%	-6.9	851,789	821,636	-30,153
New York	66.1%	59.6%	-6.4	10,822,864	9,898,361	-924,503
North Carolina	67.4%	55.9%	-11.5	4,781,263	4,566,968	-214,295
North Dakota	66.7%	67.6%	0.9	357,653	404,039	46,387
Ohio	75.2%	61.4%	-13.8	7,329,008	5,912,797	-1,416,211
Oklahoma	59.7%	54.0%	-5.7	1,754,235	1,736,788	-17,447
Oregon	66.4%	57.1%	-9.3	2,027,203	1,891,171	-136,032
Pennsylvania	76.4%	64.6%	-11.9	7,983,079	6,951,312	-1,031,766
Rhode Island	74.1%	62.6%	-11.5	647,720	547,810	-99,910
South Carolina	69.7%	56.8%	-12.9	2,429,132	2,266,124	-163,007
South Dakota	69.1%	59.0%	-10.1	435,185	414,938	-20,247
Tennessee	65.6%	56.0%	-9.7	3,300,418	3,055,147	-245,271
Texas	60.6%	52.1%	-8.5	11,387,467	12,026,611	639,144
Utah	73.7%	66.3%	-7.4	1,531,568	1,697,256	165,688
Vermont	70.0%	60.9%	-9.1	371,853	314,200	-57,653
Virginia	72.2%	64.0%	-8.2	4,497,703	4,435,305	-62,397
Washington	66.9%	59.3%	-7.6	3,478,838	3,538,897	60,059
West Virginia	65.0%	59.2%	-5.8	972,374	913,533	-58,840
Wisconsin	78.1%	64.7%	-13.4	3,623,066	3,150,822	-472,244
Wyoming	66.8%	61.1%	-5.8	286,526	304,333	17,807

* Table compares combined data from 2000 and 2001 with combined data from 2011 and 2012 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

TABLE 8

Employer-sponsored health insurance coverage for workers age 18 to 64, by state, 2000/2001 to 2011/2012*

State	ESI coverage (%)			ESI coverage (#)		
	2000/2001	2011/2012	Percentage-point change	2000/2001	2011/2012	Change
<i>NATIONWIDE</i>	75.4%	68.0%	-7.4	107,366,264	98,522,540	-8,843,724
<i>Alabama</i>	78.1%	71.5%	-6.6	1,641,460	1,484,107	-157,353
<i>Alaska</i>	68.1%	64.3%	-3.7	230,807	229,840	-967
<i>Arizona</i>	70.5%	63.9%	-6.6	1,782,515	1,898,381	115,866
<i>Arkansas</i>	71.1%	63.8%	-7.4	876,083	804,178	-71,905
<i>California</i>	68.3%	62.0%	-6.3	11,547,175	10,785,922	-761,252
<i>Colorado</i>	75.5%	66.9%	-8.6	1,796,894	1,704,824	-92,070
<i>Connecticut</i>	82.6%	77.1%	-5.5	1,438,911	1,333,912	-104,999
<i>Delaware</i>	82.1%	74.1%	-8.0	335,722	310,039	-25,683
<i>District of Columbia</i>	75.4%	71.1%	-4.2	226,174	236,638	10,464
<i>Florida</i>	70.6%	61.2%	-9.4	5,447,127	5,263,103	-184,024
<i>Georgia</i>	77.1%	66.4%	-10.7	3,165,785	2,913,716	-252,069
<i>Hawaii</i>	80.3%	77.3%	-3.0	499,898	481,863	-18,035
<i>Idaho</i>	69.9%	64.5%	-5.4	466,476	477,347	10,871
<i>Illinois</i>	77.6%	70.0%	-7.6	4,998,360	4,199,786	-798,575
<i>Indiana</i>	81.6%	73.9%	-7.8	2,554,790	2,099,864	-454,926
<i>Iowa</i>	79.1%	71.6%	-7.5	1,228,200	1,131,125	-97,075
<i>Kansas</i>	76.2%	69.0%	-7.2	1,036,700	946,360	-90,340
<i>Kentucky</i>	77.2%	68.2%	-9.0	1,541,906	1,399,908	-141,999
<i>Louisiana</i>	69.6%	66.3%	-3.3	1,370,157	1,269,534	-100,623
<i>Maine</i>	75.7%	69.4%	-6.3	511,767	474,185	-37,582
<i>Maryland</i>	82.1%	74.8%	-7.4	2,266,718	2,220,508	-46,210
<i>Massachusetts</i>	81.0%	80.1%	-0.8	2,807,505	2,601,307	-206,198
<i>Michigan</i>	82.6%	70.8%	-11.8	4,219,378	3,051,753	-1,167,625
<i>Minnesota</i>	79.1%	74.8%	-4.3	2,327,293	2,096,130	-231,163
<i>Mississippi</i>	71.0%	69.5%	-1.5	935,068	837,297	-97,771
<i>Missouri</i>	78.5%	70.9%	-7.6	2,310,488	1,953,419	-357,069
<i>Montana</i>	64.7%	59.3%	-5.4	298,526	275,644	-22,882

TABLE 8 (CONTINUED)

State	ESI coverage (%)			ESI coverage (#)		
	2000/2001	2011/2012	Percentage-point change	2000/2001	2011/2012	Change
<i>Nebraska</i>	73.9%	69.7%	-4.2	695,313	672,484	-22,829
<i>Nevada</i>	76.5%	64.8%	-11.7	823,001	803,695	-19,305
<i>New Hampshire</i>	82.5%	75.6%	-6.9	566,607	526,390	-40,217
<i>New Jersey</i>	82.3%	73.1%	-9.2	3,578,787	3,014,794	-563,993
<i>New Mexico</i>	61.9%	57.8%	-4.2	522,668	501,831	-20,838
<i>New York</i>	74.5%	70.2%	-4.4	6,816,332	6,218,832	-597,500
<i>North Carolina</i>	75.1%	65.6%	-9.5	3,082,064	2,844,667	-237,397
<i>North Dakota</i>	71.6%	71.7%	0.1	255,304	277,227	21,924
<i>Ohio</i>	81.0%	71.1%	-9.9	4,747,606	3,756,212	-991,394
<i>Oklahoma</i>	67.6%	64.6%	-3.0	1,140,148	1,102,217	-37,931
<i>Oregon</i>	72.0%	66.2%	-5.7	1,311,267	1,199,047	-112,220
<i>Pennsylvania</i>	83.1%	74.4%	-8.8	5,230,126	4,574,684	-655,442
<i>Rhode Island</i>	80.7%	72.0%	-8.7	430,586	354,923	-75,663
<i>South Carolina</i>	78.5%	68.0%	-10.5	1,524,954	1,386,889	-138,065
<i>South Dakota</i>	72.3%	65.2%	-7.1	292,653	279,240	-13,413
<i>Tennessee</i>	74.1%	66.6%	-7.5	2,132,122	1,918,759	-213,363
<i>Texas</i>	68.5%	62.0%	-6.5	6,982,826	7,511,189	528,362
<i>Utah</i>	76.7%	68.9%	-7.8	875,221	905,295	30,075
<i>Vermont</i>	74.5%	68.6%	-5.9	256,927	227,273	-29,654
<i>Virginia</i>	78.2%	71.3%	-6.9	2,849,918	2,816,619	-33,299
<i>Washington</i>	73.0%	68.6%	-4.4	2,204,898	2,324,671	119,773
<i>West Virginia</i>	75.0%	72.7%	-2.3	609,260	560,851	-48,409
<i>Wisconsin</i>	81.4%	71.7%	-9.7	2,390,950	2,071,426	-319,524
<i>Wyoming</i>	70.1%	64.8%	-5.3	184,841	192,636	7,795

* Table compares combined data from 2000 and 2001 with combined data from 2011 and 2012 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

TABLE 9

**Employer-sponsored health insurance coverage for children under 18, by state, 2000/2001
to 2011/2012**

State	ESI coverage (%)			ESI coverage (#)		
	2000/2001	2011/2012	Percentage-point change	2000/2001	2011/2012	Change
<i>NATIONWIDE</i>	65.8%	55.0%	-10.7	47,669,469	40,828,236	-6,841,233
<i>Alabama</i>	65.7%	52.3%	-13.3	746,676	605,876	-140,800
<i>Alaska</i>	59.9%	52.1%	-7.8	114,687	99,515	-15,173
<i>Arizona</i>	59.3%	52.7%	-6.6	880,331	862,437	-17,895
<i>Arkansas</i>	57.6%	42.6%	-15.0	399,187	301,616	-97,571
<i>California</i>	58.3%	49.9%	-8.4	5,660,084	4,637,546	-1,022,538
<i>Colorado</i>	69.6%	63.3%	-6.4	807,209	798,763	-8,446
<i>Connecticut</i>	77.8%	68.7%	-9.2	640,577	551,559	-89,018
<i>Delaware</i>	73.6%	60.7%	-12.9	146,411	126,101	-20,310
<i>District of Columbia</i>	54.4%	47.2%	-7.2	60,433	52,394	-8,039
<i>Florida</i>	59.7%	49.4%	-10.2	2,289,886	1,978,898	-310,988
<i>Georgia</i>	65.4%	49.0%	-16.4	1,487,608	1,238,661	-248,947
<i>Hawaii</i>	66.2%	59.4%	-6.9	201,708	184,048	-17,660
<i>Idaho</i>	62.9%	53.0%	-10.0	238,914	227,446	-11,467
<i>Illinois</i>	70.8%	57.0%	-13.8	2,206,203	1,740,054	-466,148
<i>Indiana</i>	75.4%	57.1%	-18.2	1,119,847	911,306	-208,541
<i>Iowa</i>	78.2%	62.4%	-15.8	565,249	453,410	-111,839
<i>Kansas</i>	69.3%	55.6%	-13.7	455,607	400,906	-54,701
<i>Kentucky</i>	63.0%	53.2%	-9.8	630,503	535,778	-94,726
<i>Louisiana</i>	57.9%	47.1%	-10.8	715,000	533,873	-181,126
<i>Maine</i>	67.6%	59.6%	-8.0	186,683	158,458	-28,226
<i>Maryland</i>	79.0%	64.0%	-15.0	1,109,812	862,450	-247,362
<i>Massachusetts</i>	71.0%	68.3%	-2.6	998,137	971,063	-27,074
<i>Michigan</i>	75.9%	61.9%	-14.0	1,863,512	1,406,660	-456,852
<i>Minnesota</i>	77.6%	68.2%	-9.4	928,421	881,385	-47,036
<i>Mississippi</i>	54.3%	48.1%	-6.2	425,012	366,949	-58,062
<i>Missouri</i>	71.8%	58.7%	-13.1	1,015,084	828,086	-186,998
<i>Montana</i>	59.0%	50.0%	-9.0	131,821	111,162	-20,659

TABLE 9 (CONTINUED)

State	ESI coverage (%)			ESI coverage (#)		
	2000/2001	2011/2012	Percentage-point change	2000/2001	2011/2012	Change
<i>Nebraska</i>	67.0%	60.0%	-6.9	294,098	275,865	-18,233
<i>Nevada</i>	70.7%	55.7%	-15.1	402,507	372,099	-30,408
<i>New Hampshire</i>	79.9%	68.0%	-11.8	233,312	188,313	-45,000
<i>New Jersey</i>	77.5%	65.4%	-12.1	1,500,034	1,328,129	-171,905
<i>New Mexico</i>	49.0%	40.7%	-8.3	245,260	208,149	-37,111
<i>New York</i>	63.6%	56.5%	-7.1	2,918,318	2,416,803	-501,515
<i>North Carolina</i>	63.5%	52.0%	-11.5	1,310,696	1,212,855	-97,841
<i>North Dakota</i>	62.5%	68.7%	6.2	86,167	106,489	20,322
<i>Ohio</i>	72.9%	57.8%	-15.1	1,982,093	1,536,521	-445,571
<i>Oklahoma</i>	53.7%	47.2%	-6.6	468,801	441,291	-27,510
<i>Oregon</i>	64.8%	55.2%	-9.6	563,943	476,942	-87,001
<i>Pennsylvania</i>	75.0%	61.9%	-13.0	2,089,869	1,686,217	-403,653
<i>Rhode Island</i>	71.9%	61.9%	-10.0	176,515	138,596	-37,919
<i>South Carolina</i>	65.9%	52.2%	-13.7	668,599	563,539	-105,059
<i>South Dakota</i>	69.8%	56.1%	-13.7	128,521	112,993	-15,528
<i>Tennessee</i>	62.6%	51.7%	-10.9	881,296	766,920	-114,377
<i>Texas</i>	56.4%	46.5%	-9.9	3,462,545	3,246,394	-216,151
<i>Utah</i>	74.0%	68.2%	-5.7	537,743	613,071	75,328
<i>Vermont</i>	70.3%	55.0%	-15.3	93,855	67,110	-26,745
<i>Virginia</i>	69.8%	62.6%	-7.2	1,269,487	1,185,135	-84,351
<i>Washington</i>	63.5%	55.3%	-8.2	964,593	896,434	-68,159
<i>West Virginia</i>	62.4%	56.2%	-6.2	244,068	218,991	-25,076
<i>Wisconsin</i>	79.5%	63.8%	-15.7	1,040,032	856,720	-183,312
<i>Wyoming</i>	66.5%	62.7%	-3.8	82,515	86,256	3,741

* Table compares combined data from 2000 and 2001 with combined data from 2011 and 2012 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

2012. These huge losses almost surely explain the increasing demand for health reform that characterized the run-up to the ACA, and highlight why health reform was so important. In short, the employer-based health insurance system was fraying rapidly in the decade before health reform was implemented.

Even before the ACA's implementation, many of those 29 million fortunately found shelter in public insurance, which disguised the precipitous drop in employer coverage. Indeed, from 2000 to 2012, public insurance, primarily in the form of Medicaid and CHIP, helped counteract the erosion in employment-based coverage and is the only reason why the uninsured rate did not rise one-for-one with the fall in ESI. However, many Americans, particularly those of working age, are still 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.

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 stagnating employer-sponsored insurance coverage before major relief from health reform materializes.

About the author

Elise Gould joined EPI in 2003 and is the institute's director of health policy research. Her research areas include employer-sponsored health insurance, inequality and health, poverty, economic mobility, and the employer tax exclusion. She is a co-author of *The State of Working America, 12th Edition*. In the past, she has authored a chapter on health in *The State of Working America 2008/09*; co-authored a book on health insurance coverage in retirement; published in venues such as *The Chronicle of Higher Education*, *Challenge Magazine*, and *Tax Notes*; and written for academic journals including *Health Economics*, *Health Affairs*, *Journal of Aging and Social Policy*, *Risk Management & Insurance Review*, *Environmental Health Perspectives*, and *International Journal of Health Services*. Gould has been quoted by a variety of news sources, including Bloomberg, NPR, the *New York Times*, and the *Wall Street Journal*, and her opinions have appeared on the op-ed pages of *USA Today* and the *Detroit News*. Additionally, she has testified before the U.S. House Committee on Ways and Means, Maryland Senate Finance and House Economic Matters committees, the New York City Council, and the District of Columbia Council. She holds a master's in public affairs from the University of Texas-Austin and a Ph.D. in economics from the University of Wisconsin-Madison.

Acknowledgments

The author thanks **Jin Dai**, **Will Kimball**, and **Alyssa Davis** for their valuable research assistance. EPI is grateful to the **Ford Foundation** for providing support for the research and publication of this report.

Endnotes

1. 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.
2. See Gould (2010) for a discussion of wage quintile analysis and balancing fifths.

3. In this section, to qualify as employer-sponsored health insurance coverage, workers must receive employer-sponsored health insurance through their own job, and employers must pay at least part of their insurance premiums.
4. Changes in industry classification make it impossible to compare 2010 with years earlier than 2002.
5. 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.
6. 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.

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