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EMPLOYER-SPONSORED HEALTH INSURANCE EROSION ACCELERATES IN THE RECESSION Public Safety Net Catches Kids but Fails to Adequately Insure Adults

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The share of Americans under age 65 covered by employment-based health insurance eroded for the ninth year in a row, falling from 61.9% in 2008 to 58.9% in 2009. While the country was already in a recession in 2008, the economy sharply deteriorated in 2009. The unemployment rate increased from 5.8% to 9.3% between 2008 and 2009, the largest one-year increase on record. As most Americans, particularly those under 65 years old, rely on health insurance obtained through the workplace, it is no surprise that employer-sponsored health insurance fell from 2008 to 2009 at a rate three times as high as in the first year of the recession.

While employer-sponsored health insurance (ESI) remains the predominant source of coverage for Americans under age 65, in 2009 ESI covered nearly 10% fewer under-65 Americans than in 2000. As many as 25 million more people under age 65 would have had ESI in 2009 if the coverage rate had remained at the 2000 level. No demographic or socioeconomic group has been spared from the erosion of job-based insurance over the 2000s. Both genders and people of all ages, races, education, and income levels have suffered declines in coverage. Workers across the wage distribution, in small and large firms alike, and even those working full time and in white-collar jobs have experienced coverage losses.

Along with the sharp declines in employer-sponsored health insurance, the share of those under 65 without any

TABLE OF CONTENTS

Overall health insurance trends.....	2
Declines in employer-sponsored coverage.....	3
Declining coverage for workers.....	6
Declining coverage for children.....	10
Publicly provided health insurance stemmed larger losses in overall coverage	14
ESI across the states.....	15
Looking to the future.....	19
Recovery Act of 2009	21
Conclusion.....	22

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insurance has also increased over the 2000s, from 15.5% in 2000 to 18.8% in 2009. The number of Americans under age 65 without health insurance coverage rose from 45.7 million in 2008 to 50.0 million in 2009, an increase of 4.3 million over the year. Since 2000, the number of uninsured has grown by 11.8 million.

Increasing *public* insurance coverage, particularly among children, is the only reason the uninsured rate did not rise one-for-one with losses in ESI. Children saw larger declines in ESI than adults over the 2000s (10.1 percentage points), but actually experienced an *increase* in total coverage rates as the share with public coverage rose 12.4 percentage points. Non-elderly adults regained about half their losses in ESI from other sources as ESI fell 9.1 percentage points but the share uninsured rose only by 5.1 percentage points over the 2000s. Medicaid, the State Children's Health Insurance Program (SCHIP), and Medicare have served as a safety net for non-elderly adults and have insured millions as employment-based benefits were lost. Provisions in the American Recovery and Reinvestment Act (ARRA) of 2009 further mitigated the damage by subsidizing COBRA and helping to shore up Medicaid funding.

The current recession highlights how dependent Americans are on a healthy labor market for all facets of economic security, including access to health care. While the largest increase in the unemployment rate for this recession is probably behind us, the unemployment rate is forecasted to increase to 9.7% in 2010 and 9.9% in 2011. Given these projections, ESI coverage could be expected to drop another 0.5 percentage points by 2011 and the number of nonelderly uninsured could increase by another half million.

This report's central findings include:

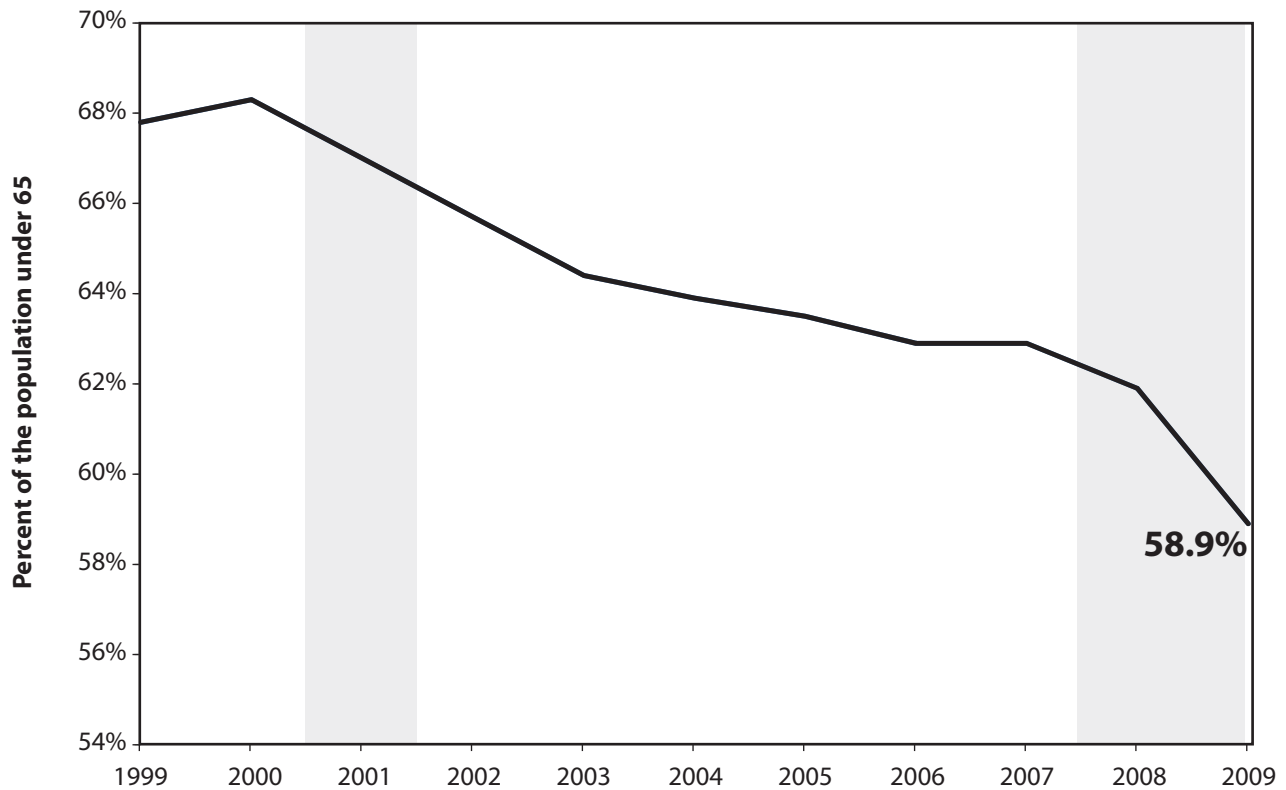
- In 2009, 50.0 million people under 65 were uninsured, up 4.3 million since 2008. The number of non-elderly uninsured Americans is over 11.8 million higher than it was in 2000.
- The share of non-elderly Americans with employer-sponsored health insurance declined for the ninth year in a row, down from 61.9% in 2008 to 58.9% in 2009, and dropping a total of 9.4 percentage points since

2000. In 2009, 11.4 million fewer non-elderly persons had employer-sponsored coverage than in 2000.

- As many as 25 million more people under 65 would have had ESI in 2009 if the coverage rate had remained at the 2000 level.
- Workers 18-64 years old experienced losses in job-based coverage, from 70.1% in 2008 to 68.1% in 2009. Among strongly attached workers, service sector workers had the lowest rates of coverage from their own job and experienced the largest declines.
- Workers are 25% more likely to be uninsured in 2009 than in 2000. Uninsured workers are disproportionately young, Hispanic, less educated, and lower income. Part-time workers were 27.6% more likely to be uninsured than full-time workers in 2000, but 58.8% more likely to be uninsured in 2009.
- Children's employer-sponsored insurance coverage fell 10.1 percentage points over the 2000s, and the gap in ESI access by income widened substantially over this period.
- Public health insurance—and the boost it received as part of the Recovery Act—is responsible for keeping millions from becoming uninsured as job-based coverage sharply declined over the 2000s. Public insurance covered 20.3 million more people in 2009 than in 2000.
- The decline in ESI coverage through the 2000s was felt nationwide, with a statistically significant decrease in non-elderly coverage in 44 states. No state had a statistically significant increase in coverage over this period.
- Though the Patient Protection and Affordable Care Act, informally known as health reform, will substantially insure more Americans especially as the 2014 insurance exchange provisions take effect, rising unemployment will likely lead to further ESI losses in the near future.

Overall health insurance trends

ESI remains the main form of coverage for non-elderly Americans at 58.9% (**Figure A**). However, this has eroded

FIGURE A**Share of the under-65 population with employer-sponsored insurance, 1999-2009**

NOTE: Shaded areas denote recessions.

SOURCE: EPI analysis of March Current Population Survey, 2000-10.

each year since 2000, a total of 9.4 percentage points. Employer-sponsored insurance coverage fell 5.4 percentage points even over the previous full business cycle, peak to peak from 2000 to 2007. Declines continued even after the recession ended in 2001 and the economy expanded. Losses in ESI moderated considerably as the economy finally began adding jobs in 2003, but losses continued unabated nonetheless. These relatively small secular declines in coverage over the expansion increased as the recession took hold in 2008 and accelerated as the unemployment rate soared in 2009.

While for many Americans, a loss of ESI translates into a loss of any kind of coverage, rates of overall coverage did not fall as much as the losses in ESI (**Figure B**). In 2009, the uninsured rate of those under 65 years old rose to 18.8%, an increase of 1.7 percentage points since

the recession began and a total increase of 3.3 percentage points since 2000.

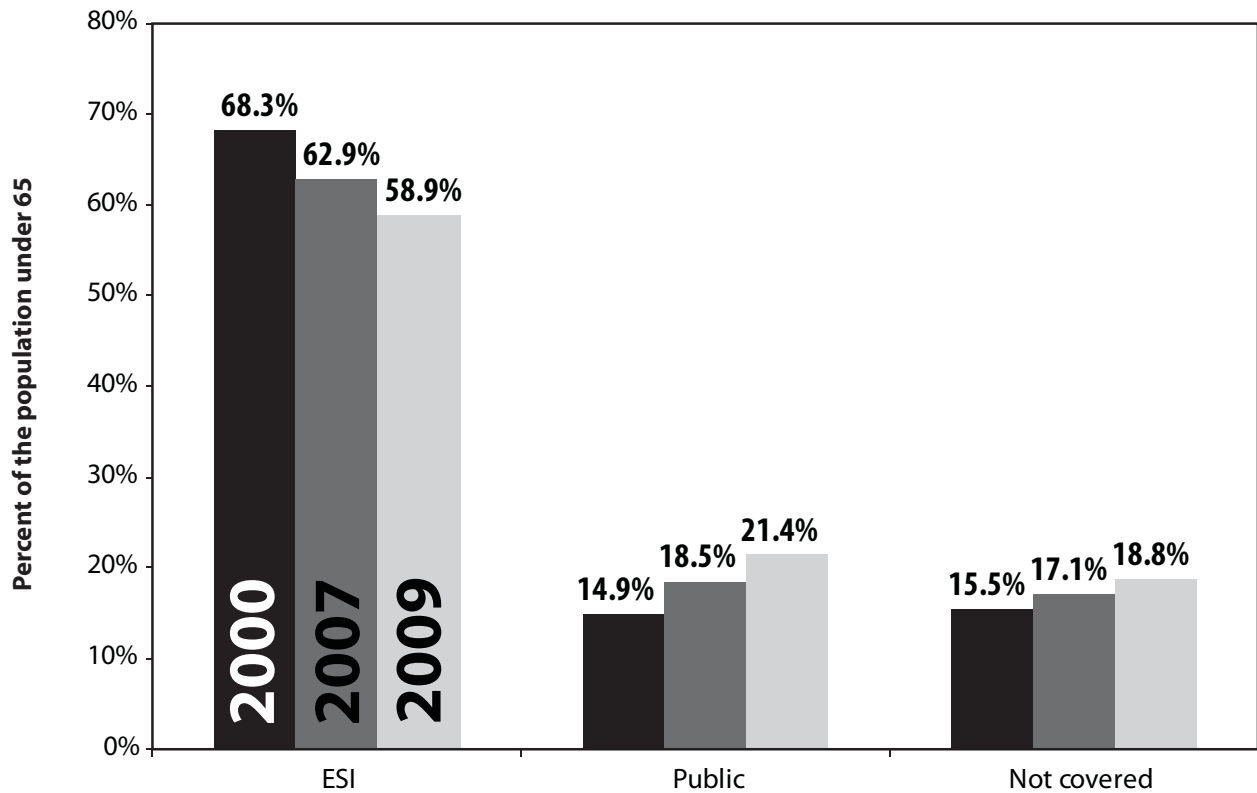
While the data do not track individuals over time to see what happens to specific people as they lose ESI, it is clear that overall coverage rates would have fallen further had there not been increases in public coverage, including Medicaid, SCHIP, and Medicare. Public coverage increased 2.9 percentage points since 2007 and 6.5 percentage points since 2000, partially offsetting losses in ESI. Non-group or direct purchase insurance remained relatively flat over the entire period, failing to compensate for the ESI losses.

Declines in employer-sponsored coverage

Although under-65 ESI coverage losses slowed in response to economic growth in the mid-2000s, the declines

FIGURE B

Sources of health insurance coverage for population under 65



SOURCE: EPI analysis of March Current Population Survey, 2001-10.

accelerated with the recession in 2008. Coverage fell by 1 percentage point in 2008, followed by a sharp decline of 3 percentage points in 2009 (Table 1). This resulted in a total loss of 9.4 percentage points over the 2000s. About 6.6 million fewer people had ESI in 2009 than in 2008; 11.4 million fewer had this coverage than in 2000. These figures fail to show the true extent of the erosion because they ignore population growth over the 2000s. As many as 25 million more people under 65 would have had ESI in 2009 if the coverage rate had remained at the 2000 level.

Coverage losses occurred across all age groups, but young adults consistently have the lowest rates of coverage. Less than half of this group finds health insurance through the workplace. The Patient Protection and Affordable Care Act (PPACA), or health reform, allows

young adults up to age 26 to remain on their parents' ESI plan. While this provision will improve the low coverage rates for this population, coverage for young adults through this avenue is dependent on parental coverage, which fell over the 2000s and is more likely secured by the higher income.

The greatest declines in ESI were among prime-working-age adults (25-54 year old) declining a total of 10.5 percentage points since 2000. Children's losses were close behind, falling 10.1 percentage points. Coverage declined for males and females alike and across racial and ethnic classifications. As shown in Figure C, racial and ethnic disparities in coverage persist over time, with white non-Hispanics experiencing rates of ESI coverage 80% higher than Hispanics and 45% higher than blacks. ESI coverage among the native born is 38% higher than

TABLE 1

Employer-sponsored health insurance coverage by age, gender, race, nativity, education, and income quintile, 2000-09

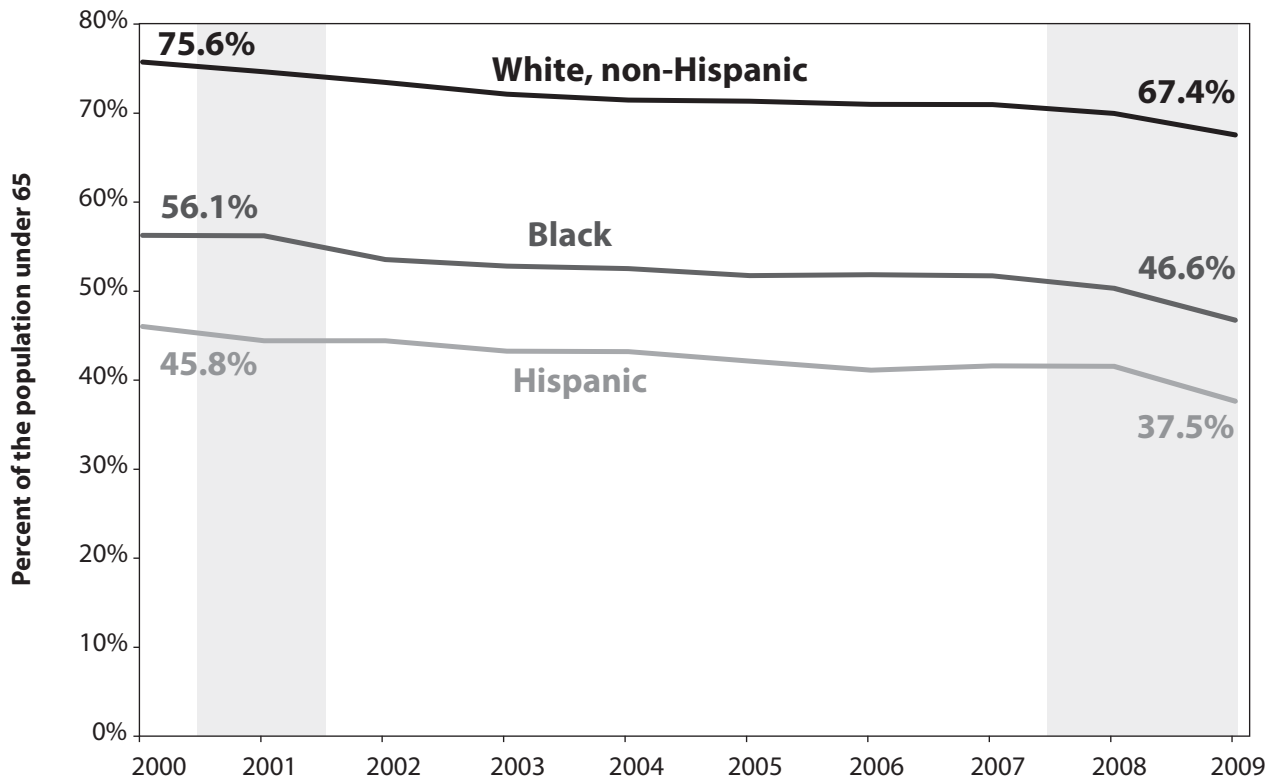
	2000	2007	2008	2009	Percentage-point change			
					2000-07	2007-08	2008-09	2000-09
Under 65 population	68.3%	62.9%	61.9%	58.9%	-5.4	-1.0	-3.0	-9.4
Age								
<i>0-17</i>	65.9%	59.5%	58.9%	55.8%	-6.5	-0.6	-3.1	-10.1
<i>18-24</i>	53.5	48.4	46.9	43.7	-5.1	-1.5	-3.2	-9.8
<i>25-54</i>	72.9	66.8	65.7	62.4	-6.1	-1.1	-3.3	-10.5
<i>55-64</i>	68.1	67.8	66.8	65.7	-0.3	-1.0	-1.1	-2.4
Gender								
<i>Male</i>	68.2%	62.5%	61.4%	58.2%	-5.7	-1.1	-3.1	-10.0
<i>Female</i>	68.3	63.2	62.3	59.6	-5.1	-0.9	-2.7	-8.7
Race								
<i>White, non-Hisp.</i>	75.6%	70.8%	69.8%	67.4%	-4.8	-1.0	-2.4	-8.2
<i>Black</i>	56.1	51.6	50.2	46.6	-4.5	-1.4	-3.6	-9.5
<i>Hispanic</i>	45.8	41.4	41.4	37.5	-4.4	-0.1	-3.9	-8.4
<i>Other</i>	64.3	61.7	60.8	58.6	-2.6	-1.0	-2.2	-5.7
Nativity								
<i>Native</i>	70.4%	65.1%	63.9%	61.0%	-5.3	-1.2	-2.9	-9.4
<i>Foreign Born</i>	52.2	47.4	47.1	44.2	-4.8	-0.2	-3.0	-8.0
Education*								
<i>Less than H.S.</i>	39.0%	30.1%	29.7%	26.9%	-8.9	-0.4	-2.8	-12.1
<i>High school</i>	65.6	56.4	55.2	51.2	-9.2	-1.3	-3.9	-14.4
<i>Some College</i>	73.3	67.0	64.8	61.9	-6.3	-2.2	-2.9	-11.4
<i>College</i>	83.5	80.0	79.6	77.2	-3.6	-0.3	-2.4	-6.3
<i>Post-College</i>	87.6	85.8	86.2	84.6	-1.9	0.4	-1.6	-3.0
Household income fifth								
<i>Lowest</i>	28.7%	21.9%	19.9%	16.3%	-6.8	-2.0	-3.5	-12.4
<i>Second</i>	61.7	53.6	50.4	46.4	-8.1	-3.2	-4.0	-15.3
<i>Middle</i>	77.4	71.6	71.0	67.4	-5.7	-0.6	-3.6	-9.9
<i>Fourth</i>	85.6	81.9	81.6	79.6	-3.7	-0.3	-2.0	-6.1
<i>Highest</i>	88.4	86.4	86.4	84.9	-1.9	-0.1	-1.4	-3.4

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

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

FIGURE C

Share of the under-65 population with employer-sponsored insurance, 1999-2009



NOTE: Shaded areas denote recessions.

SOURCE: EPI analysis of March Current Population Survey, 2001-10.

that of foreign born though the native born experienced larger losses since the recession began and over the 2000s as a whole.

Educational attainment is a strong predictor of incidence of insurance; those with advanced degrees are over three times more likely to have ESI than those with less than a high school education.¹ Just over half (51.2%) of those with only a high school degree have job-based coverage compared with over three-fourths (77.2%) of college graduates.

Similar to education, higher household incomes are strongly associated with an increased likelihood of having employment-based coverage. In 2009, only 16.3% of those in the bottom income fifth had ESI compared with 84.9% of those in the top fifth, a five-fold difference in the likelihood of being insured through work. Each

income group experienced losses over the 2000s, however, the declines were much greater for those at the bottom. Those in the second fifth were hit the worst since in the recession, experiencing a two-year loss of 7.2 percentage points, and a total decline of 15.3 percentage points since 2000.

**Declining coverage for workers
Employer-sponsored health insurance**

Unsurprisingly, employer-sponsored health insurance coverage is higher among workers (18-64 years old) than the under-65 population in general; 68.1% in 2009 compared with 58.9% for the overall nonelderly. Workers' declines in coverage have also been smaller—2.0 percentage points from 2008 to 2009 and 6.6 percentage points since 2000 (Table 2). Neither trend is surprising given

TABLE 2

Employer-sponsored health insurance coverage for workers 18-64 years old by gender, race, nativity, education, wage quintile, and work status, 2000-09

	2000	2007	2008	2009	Percentage-point change			
					2000-07	2007-08	2008-09	2000-09
All workers	74.8%	71.0%	70.1%	68.1%	-3.7	-0.9	-2.0	-6.6
Gender								
<i>Male</i>	73.9%	69.4%	68.4%	66.3%	-4.5	-0.9	-2.1	-7.6
<i>Female</i>	75.8	72.9	72.1	70.2	-2.8	-0.8	-1.9	-5.6
Race								
<i>White, non-Hisp.</i>	79.6%	76.4%	75.5%	73.7%	-3.2	-0.9	-1.8	-5.9
<i>Black</i>	68.3	65.6	64.4	62.0	-2.7	-1.3	-2.4	-6.4
<i>Hispanic</i>	53.4	50.0	49.8	46.3	-3.4	-0.2	-3.4	-7.1
<i>Other</i>	70.6	69.5	68.8	68.1	-1.0	-0.8	-0.7	-2.5
Nativity								
<i>Native</i>	77.4%	74.1%	73.1%	71.2%	-3.2	-1.0	-1.9	-6.2
<i>Foreign born</i>	58.7	54.0	53.9	51.5	-4.7	-0.1	-2.4	-7.1
Education								
<i>High school</i>	71.8%	65.5%	64.4%	61.3%	-6.3	-1.1	-3.1	-10.5
<i>College</i>	85.3	82.7	82.1	80.2	-2.6	-0.6	-1.9	-5.2
Wage quintiles*								
<i>Lowest</i>	49.3%	45.0%	42.7%	39.8%	-4.3	-2.3	-2.9	-9.5
<i>Second</i>	69.0	62.5	61.8	59.3	-6.5	-0.7	-2.5	-9.7
<i>Middle</i>	80.6	77.6	76.6	74.8	-3.0	-1.0	-1.8	-5.8
<i>Fourth</i>	86.9	84.6	84.3	82.4	-2.4	-0.3	-1.9	-4.5
<i>Highest</i>	88.6	85.9	85.8	85.0	-2.6	-0.1	-0.8	-3.6
Work time								
<i>Full time</i>	77.6%	74.3%	74.2%	72.9%	-3.3	-0.1	-1.4	-4.7
<i>Part time</i>	60.4	54.6	51.7	48.6	-5.9	-2.9	-3.1	-11.8

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

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

that ESI is found via work, so when one loses employment, they often lose the benefits that go with it (unless they keep insurance as a retiree or a spouse or never had it in the first place).

While declines in coverage briefly abated as the economy expanded from 2006 to 2007, coverage fell 3.7 percentage

points from peak to peak, 2000 to 2007. The 2.9 percentage-point declines since the peak can be partially attributed to the start of the recession in December 2007 and partially to the overall trend in declining coverage.

Male workers have lower rates of coverage than female (66.3% vs. 70.2%), and have experienced larger declines

over the 2000s. The larger declines in coverage for working men and men in general in the recession are not surprising given their higher unemployment rates, leading to not only fewer men employed, but also lower wage growth (Mishel and Shierholz 2010).

Similar to the overall population, large disparities exist in ESI coverage for workers by race and ethnicity. Nearly three-fourths of white non-Hispanic workers are covered as compared to less than half of Hispanic workers. Racial disparities in coverage widened in 2009 with declines of 1.8 percentage points for white non-Hispanic workers contrasted with 2.4 percentage points for black workers and 3.4 percentage points for Hispanic workers, again mimicking their different job market experiences in this recession.

College graduates have far higher rates of employment-based coverage than high school graduates, at 80.2% and 61.3%, respectively. In addition, high school graduates experienced declines more than twice as large as college graduates since 2000, at 10.5 percentage points vs. 5.2 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 the 2000s.² Only 39.8% of those in the lowest fifth, making less than \$9.38 an hour, had ESI while 85.0% of those in the top fifth, with hourly earnings above \$29.81, had the coverage. Losses in the two years since the recession began for the lowest wage fifth were greater than losses for the top 40th percentile since 2000. Widening disparities in coverage by wage levels over the 2000s are apparent as those in the top wage fifth were 80% more likely to be covered than those in the bottom fifth in 2000, but over 110% more likely by 2009.

Nearly three-quarters of full-time workers have ESI compared with less than half of part-timers. Furthermore, part-time workers experienced a sharper decline in coverage since the start of the recession, a fall of 6.0 percentage points from 2007-09. Since 2000, their coverage has fallen 11.8 percentage points.

An important group of workers to examine more closely are those who are strongly attached (i.e., working at least 20

hours per week and 26 weeks per year) to the private-sector labor force. **Table 3** displays coverage through their own job (not as a dependent) for these strongly attached workers from 2000 to 2009 by selected job characteristics. After an increase in coverage in 2006 and 2007, coverage for these workers fell 0.2 percentage points in 2008 and 1.6 percentage points in 2009. Only 53.6% of these steady workers receive health insurance from their employer, down 5.3 percentage points since 2000.

Service-sector workers are insured through their own jobs at half the rate of both white-collar and blue-collar workers and experienced the largest drop in coverage of 3.4 percentage points since 2007. Workers in larger firms are more likely to receive health insurance from their own employer than workers in smaller firms. Only 31.6% of workers in small firms (less than 25 employees) had ESI from their own job compared to 55.3% in firms with 25 to 499 employees, and 65.1% in firms with greater than 500 employees. Coverage losses in 2009 and over the 2000s were greatest among workers in mid-size firms.

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 and loading costs, and little competition in insurer markets (Gould and Hertel-Fernandez 2009). With the passage of PPACA, very small, low-wage firms can see considerable reductions in their premiums with the use of new tax credits. Furthermore, 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 requires medical care or their workforce size or composition changes from year to year.

Coverage rates in 2009 differ dramatically according to what sector of the economy workers were employed in, but nearly all experienced declines since 2002.³ The highest rates of coverage are found in mining, manufacturing, and information, and the lowest in agriculture, arts, and other services. Previous research has shown that certain industries, such as public administration, mining, and manufacturing, are more likely to be sources

TABLE 3

Employer-sponsored health insurance* coverage for private-sector workers
by occupation, firm size, and industry 2000-09**

	2000	2007	2008	2009	Percentage-point change			
					2000-07	2007-08	2008-09	2000-09
All workers	58.9%	55.4%	55.2%	53.6%	-3.4	-0.2	-1.6	-5.3
Occupations								
<i>White collar</i>	65.0%	61.9%	61.8%	60.3%	-3.0	-0.1	-1.5	-4.6
<i>Blue collar</i>	59.0	53.9	54.1	52.7	-5.0	0.2	-1.5	-6.3
<i>Service</i>	33.9	29.5	28.2	26.1	-4.4	-1.3	-2.1	-7.8
Firm size								
<i>24 or fewer</i>	36.2%	32.1%	32.1%	31.6%	-4.0	0.0	-0.6	-4.6
<i>499 or fewer</i>	61.0	57.8	58.1	55.3	-3.2	0.2	-2.8	-5.7
<i>500 or more</i>	69.6	67.1	66.7	65.1	-2.4	-0.4	-1.5	-4.4
Industry***								
<i>Agriculture, forestry, fishing, hunting</i>	37.1%	27.1%	24.6%	26.2%	-10.0	-2.5	1.6	-10.9
<i>Arts, entertainment, recreation, and accomodation</i>	32.5	31.9	28.7	26.3	-0.6	-3.2	-2.3	-6.1
<i>Construction</i>	47.5	44.1	45.3	44.0	-3.4	1.2	-1.3	-3.5
<i>Education, health, and social services</i>	59.4%	60.2%	59.4%	57.1%	0.7	-0.8	-2.3	-2.3
<i>Finance, insurance, and real estate and leasing</i>	65.8	65.1	66.0	66.0	-0.7	0.9	0.1	0.3
<i>Information</i>	73.0	72.7	70.9	69.5	-0.3	-1.9	-1.3	-3.4
<i>Manufacturing</i>	72.7	70.2	70.8	69.6	-2.5	0.7	-1.3	-3.1
<i>Mining</i>	78.4	73.9	75.7	75.8	-4.5	1.8	0.1	-2.6
<i>Other services (except public administration)</i>	40.1	37.4	37.6	35.0	-2.7	0.2	-2.6	-5.1
<i>Professional, scientific, management, and administration</i>	57.4%	56.0%	56.2%	55.1%	-1.4	0.2	-1.1	-2.2
<i>Transportation and communication</i>	66.9	63.0	63.6	62.0	-3.9	0.6	-1.6	-4.9
<i>Wholesale trade</i>	53.9	51.6	51.6	50.5	-2.2	0.0	-1.1	-3.3

* Worker received employer-sponsored health insurance through their own job and employer had to pay at least part of their insurance premiums to qualify as employer-sponsored insurance coverage.

** Private-sector, wage and salary workers, age 18-64, who worked at least 20 hours per week and 26 weeks per year.

*** Industry classifications changes make it impossible to compare 2009 with years earlier than 2002.

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

of dependent coverage to workers' spouses or children whereas arts and professional services fall short (Bivens, Gould, and Hertel-Fernandez 2009). The likelihood of getting dependent coverage is higher among industries with higher rates of coverage to their workers.

Uninsured workers

Among workers, declines in ESI tend to translate into lower overall coverage rates. Uninsured workers are increasingly common in the U.S. economy; nearly one-fifth of the workforce is uninsured (**Table 4**). The rate of workers uninsured grew equally peak to peak, 2000-07, as it did in the recession that began in December 2007, a total of 4.2 percentage points since 2000.

Older workers are more likely to have coverage, and working men are more likely to be uninsured than working women. White non-Hispanic workers are less likely to be uninsured than black and Hispanic workers, and the disparities have only widened in the 2000s.

Nearly half of workers without a high school degree are uninsured compared with about one-quarter of high school graduates and one-tenth of college graduates. While the levels illustrate clear inequities, the gap in coverage rates among workers of different education levels grew substantially over the 2000s. Those without a high school degree and high school graduates experienced larger drops in coverage (8.6 and 7.6 percentage points, respectively) than those with a college degree or post-college education (3.1 and 1.4 percentage point, respectively). One-third of all workers in the lowest 40% of the wage distribution are uninsured compared to just one-eleventh of workers in the top 40% of the wage distribution.

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 27.6% more likely to be uninsured in 2000, but 58.8% more likely to be uninsured in 2009. 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 2009. Uninsured

workers are disproportionately young. Workers ages 18-34 make up 36.2% of the total workforce yet nearly half 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 14.5% of the workforce, they represent 30.9% of the uninsured workforce. A similar trend is found by nativity. The foreign born are more than twice as likely to be uninsured compared with the native born.

Insurance coverage among workers rises consistently with increased educational attainment. Workers with a high school education or less represent 38.2% of the workforce, yet they make up 60.1% of uninsured workers. Those with a college degree or higher represent nearly one-third of the workforce, yet only one-seventh 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% of the workforce, but represent a full two-thirds of the uninsured. By contrast, the top two-fifths, again 40% of workers, contain about 18% of the uninsured.

Declining coverage for children

Except for young adults (18-24), children under 18 have the lowest rates of ESI coverage of the under-65 U.S. population at 55.8% (**Table 6**). Coverage fell for kids every year since 2000 for a total of 10.1 percentage points. Nearly 5.8 million fewer kids had ESI in 2009 than in 2000, without even taking into account the growth of the under-18 population throughout this period. As many as 7.6 million more children would have had ESI in 2009 if the coverage rate had remained at the 2000 level.

As with the under-65 population as a whole, there are stark disparities in coverage for kids. White non-Hispanic kids have coverage rates as high as workers (68.3%), and twice the rate of Hispanic children. Black children have experienced the largest losses since 2007 (-4.6 percentage points) and since 2000 (-10.3 percentage

TABLE 4

Uninsured workers by age, gender, race, nativity, education, wage quintile, and work status 2000-09

	2000	2007	2008	2009	Percentage-point change			
					2000-07	2007-08	2008-09	2000-09
All workers	15.9%	18.1%	18.7%	20.2%	2.1	0.6	1.4	4.2
Age								
<i>18-24</i>	25.4%	27.5%	28.5%	29.7%	2.1	0.9	1.3	4.3
<i>25-34</i>	19.7	23.2	24.1	26.3	3.5	0.9	2.2	6.6
<i>35-44</i>	14.0	16.9	17.7	19.3	2.9	0.8	1.7	5.3
<i>45-54</i>	10.6	13.8	14.1	15.4	3.1	0.3	1.3	4.7
<i>55-64</i>	10.8	10.7	11.1	12.2	-0.1	0.4	1.0	1.4
Gender								
<i>Male</i>	17.8%	20.5%	21.4%	22.7%	2.8	0.8	1.3	4.9
<i>Female</i>	13.9	15.3	15.7	17.3	1.4	0.5	1.6	3.4
Race								
<i>White, non-Hisp.</i>	11.2%	12.7%	13.4%	14.6%	1.5	0.7	1.3	3.4
<i>Black</i>	21.2	23.0	23.8	25.0	1.8	0.8	1.2	3.8
<i>Hispanic</i>	37.8	39.8	39.5	42.9	2.0	-0.2	3.4	5.1
<i>Other</i>	20.0	19.0	20.1	19.4	-1.0	1.1	-0.7	-0.6
Nativity								
<i>Native</i>	13.2%	14.9%	15.6%	17.0%	1.7	0.7	1.4	3.8
<i>Foreign Born</i>	33.2	35.5	35.7	37.2	2.3	0.1	1.5	4.0
Education								
<i>Less than H.S.</i>	39.3%	45.7%	45.6%	47.9%	6.4	-0.1	2.3	8.6
<i>High school</i>	19.1	23.7	24.4	26.6	4.6	0.7	2.2	7.6
<i>Some college</i>	12.7	14.9	16.3	17.6	2.2	1.4	1.4	4.9
<i>College</i>	7.3	8.5	9.0	10.4	1.2	0.5	1.4	3.1
<i>Post-college</i>	3.9	4.7	4.6	5.4	0.8	-0.1	0.7	1.4
Wage quintiles								
<i>Lowest</i>	32.7%	35.2%	36.5%	38.9%	2.5	1.3	2.4	6.2
<i>Second</i>	21.0	25.3	25.8	27.3	4.4	0.5	1.5	6.3
<i>Middle</i>	12.6	14.3	15.2	16.4	1.8	0.9	1.2	3.8
<i>Fourth</i>	7.7	8.8	8.9	10.4	1.2	0.1	1.5	2.7
<i>Highest</i>	5.6	6.5	6.9	7.5	0.9	0.4	0.6	1.9
Work time								
<i>Full time</i>	15.2%	17.0%	17.2%	18.1%	1.8	0.2	0.9	2.8
<i>Part time</i>	19.4	23.4	25.4	28.7	3.9	2.0	3.3	9.3

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

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

TABLE 5

Characteristics of all workers versus uninsured workers, 2009

	All workers	Uninsured workers
Age		
<i>18-24</i>	13.1%	19.3%
<i>25-34</i>	23.1	30.1
<i>35-44</i>	22.8	21.9
<i>45-54</i>	24.6	18.8
<i>55-64</i>	16.4	9.9
Gender		
<i>Male</i>	52.8%	59.4%
<i>Female</i>	47.2	40.6
Race		
<i>White, non-Hisp.</i>	68.2%	49.4%
<i>Black</i>	10.8	13.3
<i>Hispanic</i>	14.5	30.9
<i>Other</i>	6.6	6.3
Nativity		
<i>Native</i>	84.4%	71.3%
<i>Immigrant</i>	15.6	28.7
Education		
<i>Less than H.S.</i>	9.2%	21.8%
<i>High school</i>	29.0	38.3
<i>Some college</i>	30.0	26.2
<i>College</i>	21.2	10.9
<i>Post-college</i>	10.7	2.8
Wage quintile		
<i>Lowest</i>	20.0%	38.9%
<i>Second</i>	20.0	27.3
<i>Middle</i>	20.0	16.4
<i>Fourth</i>	20.0	10.4
<i>Highest</i>	20.0	7.5
Work time		
<i>Full time</i>	80.5%	72.2%
<i>Part time</i>	19.6	27.8

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

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

TABLE 6

Employer-sponsored health insurance coverage for children under 18 years by race, nativity, education, and family income quintile, 2000-09

	2000	2007	2008	2009	Percentage-point change			
					2000-07	2007-08	2008-09	2000-09
All under 18	65.9%	59.5%	58.9%	55.8%	-6.5	-0.6	-3.1	-10.1
Race								
<i>White, non-Hisp.</i>	76.3%	71.0%	70.6%	68.3%	-5.3	-0.3	-2.4	-8.0
<i>Black</i>	51.3	45.6	44.3	41.0	-5.7	-1.3	-3.3	-10.3
<i>Hispanic</i>	42.8	37.9	38.1	34.3	-4.9	0.3	-3.8	-8.5
<i>Other</i>	64.4	60.8	60.6	58.0	-3.7	-0.1	-2.6	-6.4
Nativity								
<i>Native</i>	66.9%	60.3%	59.6%	56.6%	-6.6	-0.7	-3.1	-10.3
<i>Foreign Born</i>	44.5	39.3	38.2	36.4	-5.2	-1.1	-1.7	-8.0
Education of family head								
<i>Less than H.S.</i>	34.3%	23.1%	22.7%	20.0%	-11.2	-0.4	-2.7	-14.3
<i>High school</i>	63.5	51.9	50.7	46.1	-11.7	-1.2	-4.6	-17.4
<i>Some college</i>	73.6	65.8	62.7	60.2	-7.8	-3.1	-2.5	-13.4
<i>College</i>	85.9	82.0	82.5	80.5	-3.9	0.4	-2.0	-5.4
<i>Post-college</i>	87.7	86.2	89.0	86.7	-1.5	2.8	-2.3	-1.1
Family income fifth								
<i>Lowest</i>	24.9%	17.4%	16.4%	13.9%	-7.5	-0.9	-2.5	-11.0
<i>Second</i>	54.6	42.1	40.4	36.2	-12.5	-1.7	-4.2	-18.4
<i>Middle</i>	74.9	68.2	67.3	63.5	-6.7	-0.9	-3.8	-11.4
<i>Fourth</i>	86.3	82.2	82.3	79.6	-4.1	0.1	-2.7	-6.7
<i>Highest</i>	89.0	87.6	88.1	85.9	-1.5	0.5	-2.2	-3.1

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

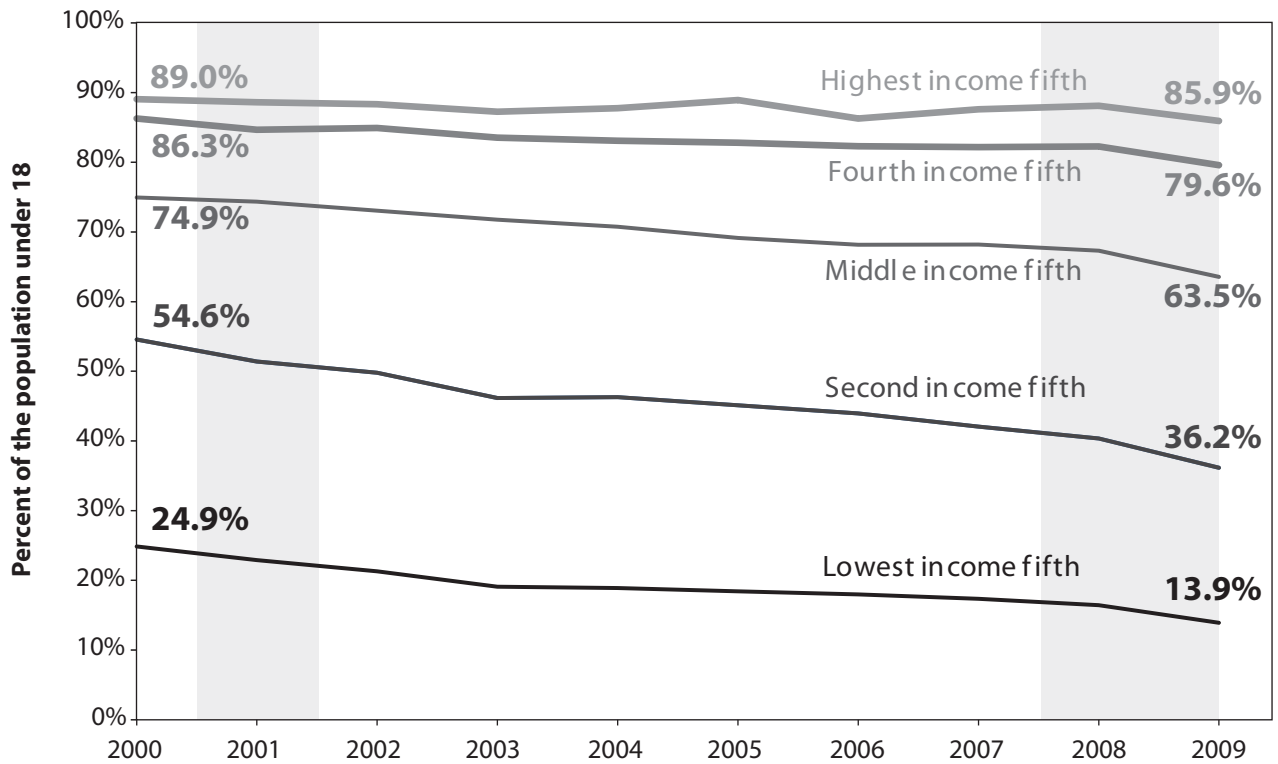
points). Native-born children experienced greater losses than foreign born over the 2000s, yet their coverage rates are still far higher (56.6% vs. 36.4%).

Children's coverage is highly correlated with the education of the family head. Less than half of kids of high school educated parents have ESI compared with four-fifths of kids with college educated parents.

Similarly, access to ESI is closely tied to family income (**Figure D**). While children across the economic spectrum experienced losses in coverage over the 2000s, disparities have widened. The gap between the top fifth and bottom fifth grew 7.9 percentage points since 2000, while the gap between the second and fourth fifths grew by 11.7 percentage points.

FIGURE D

Share of children under 18 with ESI by income fifth, 2000-09



NOTE: Shaded areas denote recessions.

SOURCE: EPI analysis of March Current Population Survey, 2001-10.

Publicly provided health insurance stemmed larger losses in overall coverage

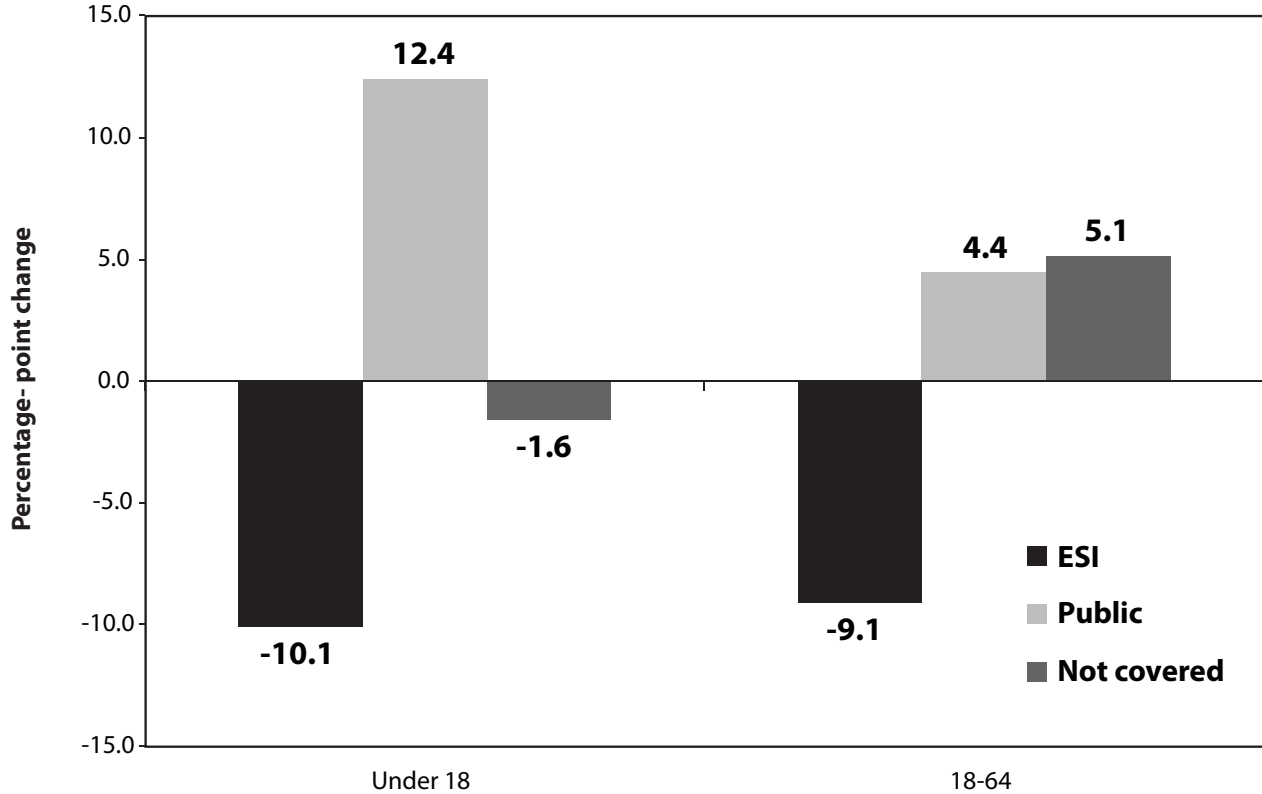
While losses in ESI since 2000 were greater among children than non-elderly adults, as shown in **Figure E**, the percent of children without any coverage actually fell. The uninsured rate for children dropped 1.6 percentage points while the percent of uninsured non-elderly adults rose 5.1 percentage points from 2000 to 2009. Given that privately purchased, or non-group, insurance coverage was relatively flat over this period (not shown), the differences in the overall coverage rates are due to differences in the incidence of public insurance for these groups.

The percent of children with public coverage grew 12.4 percentage points since 2000 as compared to only 4.4 percentage points for the overall non-elderly population. While both increases lessened the impact of ESI losses on overall coverage, only the increase in public coverage for children was large enough to be fully offsetting. Children have greater access to public insurance through SCHIP, but eligibility for public insurance for non-elderly adults is mostly limited to Medicaid or Medicare.

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 declining economy, it is likely that an increasing number

FIGURE E

Percentage-point change in ESI coverage rate, public coverage rate, and uninsured rate for under-18 and 18-64 populations, 2000-09



SOURCE: EPI analysis of March Current Population Survey, 2001-10.

of children became eligible for public insurance rather than public coverage replacing private coverage. The fact that ESI coverage rates for adults fell without the same counterbalancing rise in public coverage further reinforces this fact. Regardless of the cause, it is clear that if not for public insurance, the overall coverage rate among children would have fallen.

ESI across the states

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

Table 7 compares ESI coverage rates for the under-65 population across states between 2000-01 and 2008-09. New Hampshire has the highest rate of ESI coverage at 73.7% in 2008-09. This rate is followed by Massachusetts (72.5%), Connecticut (70.7%), Utah (70.1%), and Maryland (70.0%). Less than half (48.1%) of New Mexico’s non-elderly population has ESI. Mississippi and Texas also have relatively low rates of coverage at 50.4% and 50.9%, respectively.

Across the country, on average, under-65 ESI coverage fell 7.2 percentage points from 2000-01 to 2008-09. The largest declines in coverage occurred in

TABLE 7

Employer-sponsored health insurance coverage by state, population under 65 years old, 2000-01 to 2008-09

State	Health insurance coverage (%)			Health insurance coverage (#)		
	2000-01	2008-09	Percentage-point change	2000-01	2008-09	Change
<i>Nationwide*</i>	67.6%	60.4%	-7.2	167,174,509	159,831,000	-7,343,509
<i>Alabama</i>	68.1%	62.2%	-5.9	2,624,942	2,489,000	-135,942
<i>Alaska</i>	61.9	57.6	-4.3	365,250	360,500	-4,750
<i>Arizona</i>	62.7	52.5	-10.2	2,923,423	3,026,500	103,077
<i>Arkansas</i>	61.0	52.8	-8.3	1,378,922	1,294,000	-84,922
<i>California</i>	59.7	54.3	-5.4	18,464,539	17,719,000	-745,539
<i>Colorado</i>	70.1	62.4	-7.8	2,778,936	2,752,000	-26,936
<i>Connecticut</i>	77.1	70.7	-6.5	2,229,371	2,119,000	-110,371
<i>Delaware</i>	76.5	66.3	-10.3	525,285	495,000	-30,285
<i>District of Columbia</i>	63.2	59.9	-3.3	307,732	317,000	9,268
<i>Florida</i>	62.2	54.3	-8.0	8,411,569	8,202,500	-209,069
<i>Georgia</i>	67.6	59.1	-8.6	5,028,958	5,155,000	126,042
<i>Hawaii</i>	70.7	68.9	-1.9	745,019	726,500	-18,519
<i>Idaho</i>	65.9	61.7	-4.2	762,520	823,500	60,981
<i>Illinois</i>	70.8	63.8	-7.0	7,735,097	7,204,000	-531,097
<i>Indiana</i>	75.7	64.3	-11.4	3,947,123	3,527,500	-419,623
<i>Iowa</i>	76.9	68.6	-8.4	1,892,738	1,796,500	-96,238
<i>Kansas</i>	70.4	63.8	-6.6	1,585,578	1,535,500	-50,078
<i>Kentucky</i>	67.9	58.9	-9.1	2,392,443	2,185,000	-207,443
<i>Louisiana</i>	59.9	56.2	-3.8	2,315,377	2,161,500	-153,877
<i>Maine</i>	69.5	61.3	-8.2	746,312	674,000	-72,312
<i>Maryland</i>	77.9	70.0	-7.9	3,622,648	3,466,000	-156,648
<i>Massachusetts</i>	73.3	72.5	-0.8	4,035,587	4,044,000	8,414
<i>Michigan</i>	76.4	66.1	-10.4	6,646,874	5,659,500	-987,374
<i>Minnesota</i>	77.2	68.8	-8.4	3,437,862	3,086,500	-351,362
<i>Mississippi</i>	60.4	50.4	-10.0	1,489,990	1,258,500	-231,490
<i>Missouri</i>	72.5	62.7	-9.8	3,537,550	3,222,000	-315,550
<i>Montana</i>	59.2	56.1	-3.2	454,047	464,500	10,454
<i>Nebraska</i>	69.7	66.4	-3.3	1,034,433	1,033,500	-933
<i>Nevada</i>	70.5	63.0	-7.5	1,312,779	1,456,000	143,222
<i>New Hampshire</i>	79.1	73.7	-5.4	850,203	842,500	-7,703
<i>New Jersey</i>	75.6	68.8	-6.8	5,482,343	5,178,000	-304,343
<i>New Mexico</i>	53.0	48.1	-5.0	835,302	828,000	-7,302
<i>New York</i>	64.1	59.3	-4.9	10,502,864	9,913,500	-589,364
<i>North Carolina</i>	66.7	57.9	-8.9	4,730,174	4,699,000	-31,174
<i>North Dakota</i>	66.8	66.0	-0.9	358,459	362,500	4,042

cont. on page 17

TABLE 7 (CONT.)

Employer-sponsored health insurance coverage by state, population under 65 years old, 2000-01 to 2008-09

State	Health insurance coverage (%)			Health insurance coverage (#)		
	2000-01	2008-09	Percentage-point change	2000-01	2008-09	Change
Ohio	74.1%	65.3%	-8.8	7,218,433	6,468,000	-750,433
Oklahoma	59.2	58.9	-0.4	1,741,147	1,817,000	75,853
Oregon	66.4	61.7	-4.7	2,027,243	2,033,500	6,257
Pennsylvania	75.9	67.6	-8.4	7,929,984	7,053,500	-876,484
Rhode Island	73.9	64.6	-9.3	646,222	581,000	-65,222
South Carolina	69.2	60.1	-9.1	2,412,344	2,306,500	-105,844
South Dakota	69.5	62.1	-7.4	437,580	426,500	-11,080
Tennessee	65.7	55.9	-9.8	3,304,791	2,995,000	-309,791
Texas	59.7	50.9	-8.8	11,224,385	11,180,000	-44,385
Utah	73.6	70.1	-3.5	1,528,425	1,776,500	248,076
Vermont	70.4	65.6	-4.9	374,075	348,000	-26,075
Virginia	72.1	66.7	-5.4	4,490,036	4,562,500	72,465
Washington	66.9	63.0	-4.0	3,482,606	3,688,500	205,894
West Virginia	64.3	61.1	-3.2	961,495	917,000	-44,495
Wisconsin	78.1	68.9	-9.2	3,621,595	3,303,500	-318,095
Wyoming	65.8	63.2	-2.6	281,914	295,000	13,087

* Nationwide numbers in this table should only be used to benchmark against state numbers, which require two-year merged data averages for adequate sample size for analysis. Single-year national numbers are best for national level comparisons and can be found in preceding tables.

NOTE: Bolded numbers are statistically significant at the 5% level.

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

Indiana, Michigan, Delaware, Arizona, and Mississippi with losses of at least 10.0 percentage points over the 2000s. Forty-four states had statistically significant losses in coverage for their under-65 population, while no state had a statistically significant rise in coverage over that period.

The highest rates of ESI coverage for workers are found in Massachusetts and Hawaii, with coverage rates of 80.8% and 78.8%, respectively (Table 8). It is not surprising that Massachusetts and Hawaii have the highest

ESI coverage rates, as both states have employer mandates requiring minimal insurance coverage to their workers. The lowest rate of worker coverage is in New Mexico at 58.6%, followed by Texas at 60.4%. The largest declines in job-based coverage among workers occurred in Tennessee, Delaware, Georgia, and Michigan, each with losses in excess of 7.5 percentage points, far above the national average of 5.3 percentage points.

Similar to the under-65 population as a whole, New Hampshire boasts the highest rates of ESI coverage for

TABLE 8

Employer-sponsored health insurance coverage by state, 2000-01 to 2008-09, 18-64 years old

State	Health insurance coverage (%)			Health insurance coverage (#)		
	2000-01	2008-09	Percentage-point change	2000-01	2008-09	Change
<i>Nationwide*</i>	74.4%	69.1%	-5.3	106,055,229	101,526,733	-4,528,496
<i>Alabama</i>	77.3%	73.3%	-4.0	1,623,968	1,561,319	-62,649
<i>Alaska</i>	66.9	64.8	-2.0	226,815	235,803	8,988
<i>Arizona</i>	69.8	63.3	-6.5	1,765,058	1,881,796	116,738
<i>Arkansas</i>	70.6	64.6	-6.0	868,966	836,955	-32,011
<i>California</i>	67.1	62.8	-4.2	11,339,309	11,079,011	-260,298
<i>Colorado</i>	75.0	68.3	-6.7	1,785,068	1,776,376	-8,692
<i>Connecticut</i>	81.3	76.5	-4.8	1,415,773	1,350,882	-64,890
<i>Delaware</i>	81.6	73.6	-8.0	333,425	307,688	-25,737
<i>District of Columbia</i>	74.3	73.3	-1.0	222,900	239,361	16,461
<i>Florida</i>	69.5	63.5	-6.1	5,360,570	5,286,003	-74,567
<i>Georgia</i>	75.4	67.6	-7.8	3,098,219	3,108,705	10,486
<i>Hawaii</i>	78.9	78.8	-0.1	491,076	471,616	-19,459
<i>Idaho</i>	70.3	67.7	-2.6	469,229	498,287	29,058
<i>Illinois</i>	76.4	72.3	-4.2	4,921,326	4,548,885	-372,441
<i>Indiana</i>	80.8	75.4	-5.4	2,528,263	2,238,007	-290,256
<i>Iowa</i>	78.8	73.9	-4.9	1,223,383	1,227,040	3,657
<i>Kansas</i>	75.3	71.8	-3.5	1,024,561	1,013,673	-10,889
<i>Kentucky</i>	77.1	69.8	-7.3	1,540,472	1,415,900	-124,572
<i>Louisiana</i>	68.8	67.0	-1.8	1,356,078	1,307,808	-48,271
<i>Maine</i>	75.4	68.8	-6.6	509,834	455,194	-54,640
<i>Maryland</i>	81.4	76.0	-5.4	2,246,477	2,208,901	-37,576
<i>Massachusetts</i>	79.8	80.8	1.0	2,767,696	2,656,436	-111,260
<i>Michigan</i>	81.6	73.9	-7.7	4,167,341	3,439,358	-727,983
<i>Minnesota</i>	78.9	73.8	-5.1	2,321,896	2,052,465	-269,431
<i>Mississippi</i>	71.0	66.0	-5.0	935,444	796,736	-138,709
<i>Missouri</i>	77.8	70.9	-6.9	2,290,636	2,069,272	-221,365
<i>Montana</i>	63.9	63.2	-0.7	294,706	313,433	18,727
<i>Nebraska</i>	73.3	72.7	-0.6	689,664	684,085	-5,579
<i>Nevada</i>	75.4	70.2	-5.2	811,973	887,947	75,974
<i>New Hampshire</i>	82.2	77.8	-4.4	564,299	558,420	-5,879
<i>New Jersey</i>	80.8	75.6	-5.2	3,513,609	3,181,318	-332,291
<i>New Mexico</i>	60.7	58.6	-2.0	511,912	517,953	6,041
<i>New York</i>	72.5	68.8	-3.7	6,633,773	6,407,879	-225,894
<i>North Carolina</i>	74.2	67.7	-6.5	3,044,516	2,997,840	-46,676
<i>North Dakota</i>	71.6	69.9	-1.7	255,345	250,751	-4,594

cont. on page 19

TABLE 8 (CONT.)

Employer-sponsored health insurance coverage by state, 2000-01 to 2008-09, 18-64 years old

State	Health insurance coverage (%)			Health insurance coverage (#)		
	2000-01	2008-09	Percentage-point change	2000-01	2008-09	Change
Ohio	79.7%	73.7%	-6.0	4,674,477	4,109,351	-565,125
Oklahoma	66.8	68.4	1.6	1,126,733	1,176,413	49,681
Oregon	71.8	69.5	-2.3	1,308,021	1,347,057	39,036
Pennsylvania	82.5	76.2	-6.3	5,192,396	4,544,430	-647,966
Rhode Island	80.3	72.9	-7.4	428,751	392,537	-36,214
South Carolina	77.5	70.3	-7.1	1,504,223	1,425,965	-78,258
South Dakota	72.3	68.9	-3.4	292,351	291,302	-1,049
Tennessee	74.0	65.4	-8.6	2,129,813	1,932,031	-197,782
Texas	67.6	60.4	-7.2	6,895,379	6,974,878	79,499
Utah	76.1	74.4	-1.7	868,115	974,393	106,278
Vermont	74.5	71.9	-2.6	256,816	249,352	-7,463
Virginia	78.2	72.5	-5.7	2,848,842	2,877,637	28,796
Washington	73.1	70.3	-2.8	2,209,531	2,442,406	232,875
West Virginia	74.2	73.3	-0.9	602,427	551,064	-51,363
Wisconsin	81.1	74.8	-6.4	2,382,198	2,183,196	-199,002
Wyoming	68.8	67.9	-0.9	181,577	191,617	10,041

* Nationwide numbers in this table should only be used to benchmark against state numbers, which require two-year merged data averages for adequate sample size for analysis. Single-year national numbers are best for national level comparisons and can be found in preceding tables.

NOTE: Bolded numbers are statistically significant at the 5% level.

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

its children at 74.2% (Table 9). Utah and Massachusetts follow behind at 72.1% and 70.9%, respectively. At the other end of the spectrum, less than half of all children in New Mexico, Mississippi, Arkansas, Texas, Arizona, and the District of Columbia are covered by employment-based health insurance.

As with the national numbers, losses in coverage across the states are greatest among children. Eleven states experienced declines from 2000-01 to 2008-09 in excess of 10 percentage points. Indiana experienced losses in children's ESI coverage of 15.6 percentage points—twice the national rate. Overall, 38 states had statistically significant declines in children's ESI coverage rates. No state had a statistically significant increase.

Looking to the future

One of the clearest indicators and the most relevant aggregate economic indicator for ESI of the deepening recession is the unemployment rate. In 2007, the most recent peak year, the unemployment rate was 4.6%. Average unemployment rose modestly to 5.8% in 2008 then jumped 3.5 percentage points to 9.3% in 2009. While the largest increase in the unemployment rate for this recession has already been felt, the unemployment rate is forecasted to increase to 9.7% in 2010 and 9.9% in 2011 (Moody's 2010).

While employer-sponsored health insurance remains the predominant form of health coverage for the under-65 population, it is often the case that when people lose their

TABLE 9

**Employer-sponsored health insurance coverage for children under 18 by state,
2000-01 to 2008-09, percent of all children insured**

State	Health insurance coverage (%)			Health insurance coverage (#)		
	2000-01	2008-09	Percentage-point change	2000-01	2008-09	Change
<i>Nationwide*</i>	65.2%	57.4%	-7.8	47,220,271	42,882,791	-4,337,479
<i>Alabama</i>	65.3%	56.6%	-8.7	742,610	627,064	-115,546
<i>Alaska</i>	58.9	53.2	-5.7	112,781	97,934	-14,847
<i>Arizona</i>	59.3	47.3	-12.0	879,454	815,907	-63,547
<i>Arkansas</i>	57.5	45.8	-11.8	398,691	324,477	-74,214
<i>California</i>	56.9	51.4	-5.5	5,519,658	4,863,695	-655,963
<i>Colorado</i>	68.5	60.7	-7.8	794,865	746,154	-48,710
<i>Connecticut</i>	77.4	69.9	-7.5	636,777	571,174	-65,603
<i>Delaware</i>	73.9	64.3	-9.5	147,016	135,345	-11,670
<i>District of Columbia</i>	53.6	48.5	-5.1	59,546	54,312	-5,234
<i>Florida</i>	58.3	51.8	-6.5	2,236,149	2,092,162	-143,986
<i>Georgia</i>	65.4	56.9	-8.5	1,488,932	1,460,758	-28,173
<i>Hawaii</i>	65.5	60.5	-5.0	199,586	177,186	-22,400
<i>Idaho</i>	63.9	60.3	-3.6	242,382	253,369	10,987
<i>Illinois</i>	69.4	60.2	-9.3	2,163,296	1,922,498	-240,798
<i>Indiana</i>	74.2	58.6	-15.6	1,102,245	947,318	-154,926
<i>Iowa</i>	78.8	66.8	-12.0	569,863	477,844	-92,019
<i>Kansas</i>	68.2	58.5	-9.7	448,335	415,216	-33,119
<i>Kentucky</i>	63.2	54.2	-9.0	632,458	552,185	-80,273
<i>Louisiana</i>	57.5	52.3	-5.3	710,060	597,868	-112,192
<i>Maine</i>	67.7	59.9	-7.8	187,010	163,973	-23,037
<i>Maryland</i>	78.3	68.3	-10.0	1,099,500	919,429	-180,070
<i>Massachusetts</i>	70.6	70.9	0.3	992,610	1,032,055	39,445
<i>Michigan</i>	76.5	66.8	-9.7	1,878,051	1,583,870	-294,180
<i>Minnesota</i>	78.0	67.4	-10.5	932,975	836,230	-96,745
<i>Mississippi</i>	54.4	43.8	-10.6	426,323	344,162	-82,161
<i>Missouri</i>	71.4	62.0	-9.4	1,009,339	882,559	-126,780
<i>Montana</i>	58.5	55.2	-3.4	130,811	120,437	-10,373
<i>Nebraska</i>	66.5	62.8	-3.7	292,191	286,560	-5,631
<i>Nevada</i>	69.9	61.6	-8.3	397,674	413,345	15,671
<i>New Hampshire</i>	79.5	74.2	-5.3	232,251	216,114	-16,137
<i>New Jersey</i>	76.2	68.0	-8.2	1,476,387	1,400,507	-75,880
<i>New Mexico</i>	48.2	42.5	-5.7	241,215	217,754	-23,461
<i>New York</i>	62.0	56.6	-5.4	2,843,277	2,500,116	-343,160
<i>North Carolina</i>	63.3	53.8	-9.5	1,305,229	1,252,113	-53,116
<i>North Dakota</i>	63.1	67.6	4.5	86,987	98,104	11,118

cont. on page 21

TABLE 9 (CONT.)

Employer-sponsored health insurance coverage for children under 18 by state, 2000-01 to 2008-09, percent of all children insured

State	Health insurance coverage (%)			Health insurance coverage (#)		
	2000-01	2008-09	Percentage-point change	2000-01	2008-09	Change
Ohio	72.0%	63.5%	-8.5	1,958,639	1,736,812	-221,827
Oklahoma	53.6	52.2	-1.4	467,813	478,865	11,052
Oregon	65.0	58.4	-6.6	565,044	509,025	-56,018
Pennsylvania	74.3	64.8	-9.6	2,072,948	1,812,549	-260,399
Rhode Island	72.2	60.9	-11.3	177,167	140,742	-36,425
South Carolina	66.6	57.8	-8.8	675,846	630,674	-45,172
South Dakota	71.1	59.4	-11.6	130,868	119,244	-11,624
Tennessee	63.9	53.3	-10.6	899,319	790,352	-108,967
Texas	55.5	45.8	-9.7	3,410,451	3,150,063	-260,387
Utah	74.7	72.1	-2.6	542,892	629,275	86,383
Vermont	71.1	61.2	-9.9	94,841	77,578	-17,263
Virginia	69.6	67.4	-2.2	1,266,956	1,277,896	10,940
Washington	64.0	57.9	-6.1	971,306	902,885	-68,421
West Virginia	61.9	58.0	-3.9	242,298	225,804	-16,493
Wisconsin	79.9	69.7	-10.2	1,045,539	917,389	-128,150
Wyoming	65.9	62.4	-3.5	81,824	83,846	2,022

* Nationwide numbers in this table should only be used to benchmark against state numbers, which require two-year merged data averages for adequate sample size for analysis. Single-year national numbers are best for national level comparisons and can be found in preceding tables.

NOTE: Bolded numbers are statistically significant at the 5% level.

SOURCE: Author's analysis of the March Current Population Survey, 2001-10.

jobs, they lose access to their health insurance. Therefore, it can be expected that the ESI coverage could drop another 0.5 percentage points by 2011 to nearly 58.4%.⁴

While not one-for-one, a drop in ESI coverage is strongly associated with a rise in the number of uninsured Americans, only lessened by increases in public coverage (particularly among children). By 2011, it is likely that the number of nonelderly uninsured will increase by another half million.⁵

Recovery Act of 2009

There is emerging evidence that the American Recovery and Reinvestment Act (ARRA) helped to stem the tide of the uninsured from the current recession. One factor that may have slowed the erosion of health insurance coverage

even with such a high unemployment rate is COBRA. COBRA coverage, which allows unemployed workers to keep their employer-sponsored health insurance from 18-36 months as long as they pay their premiums, was expanded as part of the American Recovery and Reinvestment Act (ARRA). Previously, people who participated in COBRA had to pay up to 102% of the costs of the premiums. Under ARRA, workers received a subsidy for 65% of the premiums if they lost their jobs between September 2008 and December 2009.

Although data on COBRA eligibility and uptake is difficult to measure, early reports suggest that uptake increased significantly with the help of the subsidy. The Commonwealth Fund, using data from Hewitt Associates, estimates the COBRA take up doubled under ARRA

from 19% before the subsidy to 38% after (Bovbjerg et al. 2009). That finding is on par with a report from the U.S. Treasury Department that looked at people receiving unemployment benefits in New Jersey. They found the take up rate to be anywhere from 29-32% among eligible unemployment insurance recipients (U.S. Treasury Department 2010).

ARRA also included about \$140 billion in aid to states to lessen the need for states to make cuts to services, cuts in spending, or increases in state and local taxes. The consequences of these budget gaps can be severe, with many states reducing services to their residents. Federal assistance, in the form of the stimulus, did lessen the extent to which states had to make cuts and reduce services to balance their budgets. A large percentage of the funds that went to states was in the form of increased Medicaid funding to reduce the extent and severity of cuts to that program.

The Center on Budget and Policy Priorities provides specific examples of how major cuts to public insurance were avoided in many states (Oliff, Shure, and Johnson 2009). For instance, in New York, major cuts that had been proposed before stimulus funding was made available were never enacted. In Virginia, the fiscal assistance was used to reverse a planned cut in Medicaid payments to hospitals, as well as other program cuts that had been proposed prior to the availability of stimulus funds. In California, the state reversed a planned requirement that would have forced Medi-Cal beneficiaries to renew their eligibility more frequently, a requirement that would have caused many children to lose coverage. In South Carolina, the state government reversed previously made cuts that had restricted residents' eligibility and access to Medicaid services to qualify for enhanced levels of

federal Medicaid assistance, made available in ARRA. The state also did not go through with a plan to impose stricter income requirements for beneficiaries, which would have resulted in the loss of coverage for thousands of elderly and disabled people.

While it is impossible to know what would have occurred had states not received Recovery Act funds, it is clear that those funds did help maintain and increase Medicaid coverage.

Conclusion

Employer-sponsored health insurance is increasingly failing American families. If the coverage rate had not fallen 9.4 percentage points as it did from 2000 to 2009, as many as 25 million more people under 65 would have had ESI in 2009. Public insurance, primarily in the form of Medicaid and SCHIP, has been working to counteract this trend. However, many Americans, particularly working-age Americans, are falling through the cracks each day.

The passage of the Patient Protection and Affordable Care Act, particularly the provisions establishing health insurance exchanges and the accompanying subsidies, will make it easier and more affordable for Americans to secure and maintain health insurance coverage. However, the continued poor labor market will likely lead to further losses in insurance coverage before major relief from health reform takes effect.

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Endnotes

1. The results under the education heading assign each child the education level of their family head, as children under 18 rarely complete their education by that time.
2. See Gould (2010) for a discussion of wage quintile analysis and balancing fifths.
3. Changes in industry classification make it impossible to compare 2009 with years earlier than 2002.
4. Using methodology from Holahan and Garrett (2009).
5. Using methodology from Gruber and Levitt (2002).

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