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# Economic Policy Institute

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FOR IMMEDIATE RELEASE: Thursday, September 16, 2004

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Full Report: [The Chronic Problem of Declining Health Coverage](#)

Snapshot: [Health Insurance Coverage and Children](#)

## NEW STUDY SHOWS EMPLOYER-PROVIDED HEALTH INSURANCE DROPS AMONG WORKING AMERICANS

The recent recession and continuing weakness in the U.S. labor market has generated a growing problem for many Americans: the loss of health insurance coverage. A new report released today by the Economic Policy Institute shows that the decline in health coverage for Americans is not limited, as some have speculated, to those who have lost jobs. Compounding the drop in insurance coverage is an overall decline, for three years in a row now, of employer-provided coverage, which is the sole source of this essential benefit for most Americans.

In a report released today, economist Elise Gould details the decline in employer-provided health coverage and its impact on American workers and their families by gender, race, education, and by wage and income levels. Her report, [The Chronic Problem of Declining Health Coverage](#), analyzes the most recent three years of Census data, showing what she calls an emerging health care problem. It paints the most detailed picture yet available of a problem that will not simply go away when the job market becomes strong enough to reabsorb the workers sidelined by the labor market slump.

“With unemployment so much higher and spells of unemployment so much longer than at the beginning of the recession, we would expect the number of uninsured Americans to have grown,” Gould explained. “But we now find that, for growing numbers of workers, having a job is becoming less effective in inoculating them and their families against the loss of health coverage.”

The distribution of this decline throughout the workforce, while more severe for some groups of workers, makes this a widely shared problem with broad effects and implications for the future of workers and their families.

The decline in employer-provided health care adds more worries to the current concerns about downward trends in job quality and the growing gap between those at the top and bottom of the income scale.

“For most people, a “good” job means one that pays well and provides benefits, and health insurance is at the top of the list,” Gould said. “With the cost of privately purchased coverage beyond reach for most families, more Americans will be left without access to health care if this trend continues.”

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Among Gould's key findings are these:

- The number of uninsured Americans rose by five million from 2000 to 2003, with 1.4 million of that increase occurring in 2003. The primary cause was the loss of employer-provided health coverage for workers and their dependents.
- In 2003, 3.4 million fewer working Americans had insurance coverage from their own employers than in 2000.
- Children were unusually hard-hit by the loss of employer-provided coverage. Overall, coverage fell 4.4 percentage points for children, affecting 2.3 million children from 0 to 17. Only Medicaid and SCHIP (the State Children's Health Insurance Program, created in 1997) kept these children from falling into the ranks of the uninsured. (See also today's [Economic Snapshot](#) on this issue.)
- The lowest-income fifth of families, who were already the least likely to have employer-provided health coverage, experienced further erosion in this protection. About one in four people in this group were covered in 2000 and, in 2003, just over one in five.
- The largest decline since 2000, 5.6 percentage points, came for families in the second-lowest fifth by income, whose coverage rates fell from over to just under half (54.6% to 49.0%). In the middle and fourth quintiles, coverage declined 2.2 and 2.8 percentage points. The highest-income fifth of families experienced the smallest decline, 1.6 points, bringing their coverage levels to 84.0%.
- By gender, male workers experienced a larger drop in coverage than women, 3.4 versus 1.3 percentage points.
- The drop for Hispanic workers was 2.5 points, compared to 2.4 points for whites and 1.1 points for blacks. In 2003, 60.3% of white workers had coverage through their employers, while the corresponding percentages were 54.3% for blacks and 39.3% for Hispanics.
- The decline in coverage from 2000 to 2003 was 3.3 points for workers with only a high school education (from 56.2% to 52.9%) and 2.4 points (from 71.3% to 68.8% for the college educated.

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*The Economic Policy Institute is an independent, nonprofit, nonpartisan research institute – or “think tank” – based in Washington, D.C. EPI researches the impact of economic trends and policies on working people in the United States and around the world.*