



American Workers Are Rapidly Losing Health Coverage

Interactive Map on the Erosion of Employer-Sponsored Insurance

By Sonia Sekhar November 2009

Having a job usually means having health insurance, but that's not the case for nearly one in five working adults in the United States. The [most recent census data](#), reports that 60 percent of uninsured adults in the United States are employed—that's 23 million of the 38 million adults who were uninsured in 2008.¹

In Vermont—the state with the highest proportion of working uninsured—73 percent of uninsured adults are employed. Other states with notable proportions of working uninsured residents include North Dakota (71 percent), Kansas (68 percent), Maine (67 percent), Nebraska (66 percent), and Arkansas (64 percent).

The majority of Americans continue to receive health insurance through an employer, but the proportion of Americans with employer-sponsored insurance has declined over the past eight years. The percentage of nonelderly Americans with employer-sponsored insurance fell from 68 percent in 2000 to [62 percent](#) in 2008.² This is due in part to rising health care costs, which have increased the financial burden of coverage for businesses. Many businesses that offer health insurance to their employees are at pains to maintain that coverage. In fact, [a recent survey](#) shows that 43 percent of large firms feel pressured to increase employees' premium costs.³

With an absent health reform, American workers will continue to see their coverage erode through reduced benefits and increased cost sharing. In some instances, employers will [stop offering health benefits](#) altogether.⁴ Employer-sponsored coverage was once a stable source of coverage, but it no longer appears reliable.

Who is losing coverage?

The proportion of moderate-income workers—those with household incomes of approximately \$40,000 per year—who have employer-based coverage fell by nearly [9 percent](#) between 2007 and 2008.⁵ This group has experienced a [sharper decline](#) in employer-sponsored insurance than other income groups.⁶ These families—whose budgets are already stretched thin—find themselves in an even more precarious situation due to the particular vulnerability of their employer-provided health insurance coverage.

Many lower-income workers are also more vulnerable because of where they work. Only 53 percent of retail firms offer health benefits, for example, while 80 percent of firms in the

manufacturing sector do. And retail employees that do receive coverage pay roughly 36 percent of family policy premiums, which is higher than employees at manufacturing firms, who pay 25 percent of premiums.

Workers need health care reform

Health insurance premiums that are rising **three times faster** than wages make employer-sponsored insurance a shaky source of coverage for families and an unsustainable expenditure for employers.⁷ Low- to middle-income working families who are not offered coverage often make too much to qualify for safety net programs. Health reform will help working families that are not offered coverage through their employer by expanding public programs and providing subsidies to help moderate-income families purchase coverage.

Reform will also help working families who currently have employer coverage and businesses that offer it by implementing measures that will rein in the rising costs of health care. Pending reform proposals will also provide small businesses with tax credits that would enable them to provide coverage to their employees.

Without comprehensive health reform that addresses all of these issues, American families and businesses will continue to bear the brunt of rising costs in a broken, highly inefficient system.

Endnotes

- 1 U.S. Census Bureau, "Income, Poverty, and Health Insurance Coverage in the United States: 2008" (2009), available at <http://www.census.gov/prod/2009pubs/p60-236.pdf>.
- 2 U.S. Census Bureau, "Health Insurance Coverage Status and Type of Coverage--All Persons by Sex, Race and Hispanic Origin: 1999 to 2008" (2009), available at <http://www.census.gov/hhes/www/hlthins/historic/index.html>.
- 3 Kaiser Family Foundation & Health Research and Education Trust, "Employer Health Benefits 2009 Annual Survey," ed. Kaiser Family Foundation & Health Research and Education Trust (2009), available at <http://ehbs.kff.org/?CFID=583758&CFTOKEN=74705268&jsessionid=6030796b705a8246ec732b3b81a73673a4a4>.
- 4 Ibid.
- 5 U.S. Census Bureau, "Health Insurance Coverage Status and Type of Coverage--All Persons by Sex, Race and Hispanic Origin: 1999 to 2008."
- 6 Elise Gould, "Employer-Sponsored Health Insurance Erosion Continues," (Washington: Economic Policy Institute, 2009), available at http://epi.3cdn.net/6356d48ae59f625af6_xxm6bnyn2.pdf.
- 7 Kaiser Family Foundation & Health Research and Education Trust, "Employer Health Benefits 2009 Annual Survey."

The overwhelming majority of uninsured adults are employed

State-by-state data

	Number of uninsured 18-64 year-olds who are employed	% of uninsured 18-64 year-olds who are employed
National	23,000,000	60%
Alabama	290,000	55%
Alaska	70,000	61%
Arizona	560,000	57%
Arkansas	280,000	64%
California	3,310,000	58%
Colorado	430,000	69%
Connecticut	190,000	63%
Delaware	40,000	57%
District of Columbia	30,000	64%
Florida	1,730,000	60%
Georgia	830,000	59%
Hawaii	50,000	59%
Idaho	120,000	62%
Illinois	780,000	55%
Indiana	370,000	56%
Iowa	160,000	64%
Kansas	170,000	68%
Kentucky	280,000	50%
Louisiana	430,000	59%
Maine	80,000	67%
Maryland	370,000	64%
Massachusetts	180,000	59%
Michigan	520,000	50%
Minnesota	240,000	68%
Mississippi	240,000	58%
Missouri	370,000	58%
Montana	90,000	64%
Nebraska	110,000	66%
Nevada	200,000	57%
New Hampshire	80,000	66%
New Jersey	600,000	63%
New Mexico	240,000	64%
New York	1,510,000	64%
North Carolina	680,000	57%
North Dakota	50,000	71%
Ohio	630,000	56%
Oklahoma	270,000	64%
Oregon	280,000	54%
Pennsylvania	620,000	62%
Rhode Island	60,000	55%
South Carolina	310,000	55%
South Dakota	50,000	64%
Tennessee	430,000	54%
Texas	3,020,000	63%
Utah	170,000	62%
Vermont	40,000	73%
Virginia	500,000	61%
Washington	440,000	64%
West Virginia	120,000	48%
Wisconsin	290,000	64%
Wyoming	40,000	70%

Source: Census Bureau.