

**FOR IMMEDIATE RELEASE: July 18, 2013**

Contact: Stephen Blakely, EBRI: 202/775-6341, [blakely@ebri.org](mailto:blakely@ebri.org)  
Paul Fronstin, EBRI (author): 202/775-6352, [fronstin@ebri.org](mailto:fronstin@ebri.org)

**New From EBRI:**

## **Workplace Health Coverage Falls, Despite Economic Recovery**

WASHINGTON—Although the nation’s economy has officially emerged from the Great Recession, the percentage of workers with health benefits is not following suit, according to a new report by the nonpartisan Employee Benefit Research Institute (EBRI).

EBRI and other research have long measured a strong link between the employment rate and health insurance coverage. Since most workers in the United States get their health coverage through their job, a rise (or drop) in the unemployment rate usually means a corresponding rise (or drop) in the uninsured rate as well.

Since the 1980s, the percentage of individuals without health insurance coverage has generally been increasing, in large part because rising health-benefit costs have eroded the number of workers with employment-based coverage. However, for a few years during the late 1990s, the percentage of workers and their families with employment-based coverage increased, and the percentage without health insurance declined, partly due to the strong economy and low unemployment. During the recent economic recession, health coverage fell.

By looking at health insurance coverage rates month-by-month, EBRI was able to track a more detailed picture of the uninsured. Specifically, it found that between December 2007 and August 2009 (immediately before and after the recession), the percentage of workers with coverage in their own names fell from 60.4 percent to 55.9 percent. With the official end of the recession, there also appeared to be the beginning of a recovery in the percentage of workers with employment-based coverage: by December 2009, 56.6 percent of workers had employment-based coverage. However, the EBRI report notes that by October 2011, coverage had slipped back to 54.7 percent—while the economy expanded.

The reason is cost, according to Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report.

“Most workers say they did not have coverage because of cost, whether they mean the cost of employment-based coverage or coverage that they could purchase directly from an insurer,” Fronstin said. “Uninsured workers reporting cost as a reason for not having coverage has been at or near 90 percent since late 2009.”

Nevertheless, Fronstin notes there remains a strong link between health benefits and employment. In 2011, 58.4 percent of nonelderly individuals (under age 65) were covered by an employment-based health-benefits plan, including 68.3 percent of workers, 34.7 percent of nonworking adults, and 54.7 percent of children. As a result, employment-based health benefits remain the most common form of health insurance for nonpoor and nonelderly individuals in the United States.

The full report is published in the July *EBRI Notes*, “Tracking Health Insurance Coverage by Month: Trends in Employment-Based Coverage Among Workers, and Access to Coverage Among Uninsured Workers, 1995–2012,” available online at [www.ebri.org](http://www.ebri.org)

The Employee Benefit Research Institute is a private, nonpartisan, nonprofit research institute based in Washington, DC, that focuses on health, savings, retirement, and economic security issues. EBRI does not lobby and does not take policy positions. The work of EBRI is made possible by funding from its members and sponsors, which includes a broad range of public, private, for-profit and nonprofit organizations. For more information go to [www.ebri.org](http://www.ebri.org) or [www.asec.org](http://www.asec.org)