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New Research from EBRI:

**Recession Caused Record Drop in
Workers With Employment-Based Health Coverage**

WASHINGTON—In yet another measure of damage from the recent economic recession, new data show that 2009 marked both the sharpest one-year decline in employment-based health coverage for working-age Americans, and also the first time in recent history that less than 60 percent of individuals under age 65 had health benefits through a job.

A new report from the nonprofit Employee Benefit Research Institute (EBRI) finds that the percentage of workers who received employment-based health benefits through their jobs decreased from 53.2 percent in 2008 to 52 percent in 2009, a 2.4 percent decline. The data also show that during the recession the percentage of workers with coverage as a dependent fell from 17 percent in 2008 to 16.3 percent in 2009, a 4.5 percent drop.

Paul Fronstin, director of EBRI's Health Research and Education Program and author of the report, notes that unemployment and health coverage are strongly related: When the employment rate falls, health coverage also falls as jobs—and the health benefits that come with them—are lost. The study found the decline in coverage corresponded with the rising unemployment rate during the recession, from an average of 5.8 percent in 2008 to 9.3 percent in 2009, and a high of 10.1 percent during 2009.

Other factors cited in the EBRI report: Fewer employers offered coverage, which means that fewer workers have access to coverage, and workers' wages are not keeping pace with health care premiums, meaning fewer workers with access to coverage are likely to enroll in health plans. Structural changes in the work force, such as the movement of workers away from manufacturing jobs and from full-time and full-year work, also contributed to the decline.

The full report appears in the April 2011 *EBRI Issue Brief*, "The Impact of the 2007–2009 Recession on Workers' Health Coverage," online at www.ebri.org. The analysis uses data from 2008 and 2009 that were collected in the March 2009 and March 2010 Current Population Survey following the 2007–2009 recession.

"As we start to examine the data from 2010, we will be able to determine whether the economic recovery has started to have an effect on health benefits among workers who lost coverage during the recession," said Paul Fronstin, director of EBRI's Health Research and Education Program and author of the report.

The report notes that the decline in health coverage affected different groups in different ways. Among the other findings:

Education: Workers with a high school education or less experienced a statistically significant decline in the likelihood of having coverage. The percentage of workers with less than a high school education who had health coverage through their job fell from 27.5 percent to 25.6 percent between 2008 and 2009. Similarly, among workers with a high school education, the percentage with coverage through their job fell from 50.2 percent to 48.4 percent. Neither workers with a college degree nor those with a graduate degree experienced a statistically significant decline in coverage through their own jobs.

Race/Ethnicity: Workers of all races experienced statistically significant declines in coverage between 2008 and 2009. The likelihood that non-Hispanic whites had coverage through their own job fell from 56.2 percent to 55.2 percent. Among non-Hispanic blacks, the percentage with coverage fell from 53.5 percent to 51.9 percent. And among Hispanics of all races, the percentage with coverage through their own job fell from 39.5 percent to 36.9 percent.

Gender: Both men and women experienced a statistically significant decline in the percentage with health coverage through their own job. The percentage of men with coverage through their own job fell from 56.2 percent to 54.3 percent, while the percentage of women with coverage through their own job fell from 50.1 percent to 49.5 percent.

Age: Workers in nearly all age cohorts experienced a statistically significant decline in the percentage with health coverage through their own job, with the exception of those ages 18–20 and 55–64. The youngest workers did not experience a statistically significant decline in coverage and were the least likely age cohort to have coverage through their own job. Conversely, while the oldest age cohort of workers did not experience a statistically significant decline in coverage, they were the most likely age cohort to have coverage through their own job.

The Employee Benefit Research Institute is a private, 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.

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