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**New Research from EBRI:**

## **Economy Drives Health Insurance Coverage, for Good and Bad**

WASHINGTON—Findings from the nonpartisan Employee Benefit Research Institute (EBRI) show that the likelihood a worker will or will not have employment-based health benefits depends strongly on the strength of the economy and the unemployment rate.

For instance, from December 2007–August 2009, while the most recent recession was underway, the percentage of private-sector workers with employment-based coverage in their own name fell from 60.4 percent to 55.9 percent. However, by December 2009, when the recession officially ended, the percentage slightly increased to 56.6 percent.

The data come from the Census Bureau’s Survey of Income and Program Participation (SIPP), covering 1996, 2001, 2004, and 2008. EBRI’s analysis focuses on coverage rates on a monthly basis from December 1995 to December 2009 to more accurately identify trends and more clearly show the effects of recessions and unemployment on changes in coverage.

The findings are published in the June 2011 EBRI *Notes*, “Tracking Health Insurance Coverage by Month: Trends in Employment-Based Coverage Among Workers, and Access to Coverage Among Uninsured Workers, 1995–2009,” and are available online at [www.ebri.org](http://www.ebri.org)

Paul Fronstin, director of EBRI’s Health Research and Education Program and author of the report, said that cost was also a factor as to why many uninsured workers did not have health benefits from either employment-based coverage or coverage that they could purchase directly from an insurer: 70–90 percent of uninsured workers typically cite cost as the main factor for not enrolling in health coverage when it is available. Currently, less than 10 percent of uninsured workers report that they do not have coverage because they are ineligible for the plan as a result of not working enough hours, have not worked long enough to qualify, or declined coverage due to thinking they did not need it.

Employment-based benefits are the most common form of health insurance for nonpoor and nonelderly Americans. In 2009, 59 percent of nonelderly individuals were covered by an employment-based health benefits plan, with 68.2 percent of workers covered, 34.6 percent of nonworking adults covered, and 55.8 percent of children covered.

The Employee Benefit Research Institute (EBRI) 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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