FOR IMMEDIATE RELEASE:  July 28, 2009
CONTACTS:  Paul Fronstin, EBRI, (202) 775-6352, fronstin@ebri.org
            John MacDonald, EBRI, (202) 775-6349, macdonald@ebri.org

New Research from EBRI:
High Levels of Insurance Coverage Among Adults Ages 55–64

WASHINGTON—Adults ages 55–64 were one of two groups—the other was children—most likely to have health
insurance coverage in 2007, according to a study of the older age group released today by the nonpartisan Employee
Benefit Research Institute (EBRI).

Eighty-eight percent of individuals ages 55–64 reported having some form of health insurance during 2007, while 12 per-
cent were uninsured, said the study published in the August 2009 EBRI Notes, available at www.ebri.org. This compares
with 82.8 percent of the entire population with insurance. Overall, 67.8 percent of the population ages 55–64 was covered
by employment-based health benefits, and 19.9 percent was covered by a public program.

In 2007, 11 percent of children under age 18 were uninsured (and 89 percent had coverage), according to the EBRI study,
which is based on the latest U.S. Census Bureau’s Current Population Survey.

The study notes that important changes have taken place in the sources of coverage of the population ages 55–64. The most
noticeable change, the study says, is related to the percentage of individuals purchasing health insurance directly from an
insurer. In 1994, 11.4 percent of this population purchased insurance directly from an insurer, but by 2007 it was down to
9.7 percent, and there was a steady erosion between 1994 and 2005. Compared with 1994, more adults ages 55–64 were
covered by employment-based health benefits in 2007 and slightly more were covered by public programs.

“These findings may seem surprising, given the fact that employers have been cutting back on employment-based health
benefits for early retirees,” writes Paul Fronstin, director of the EBRI health research and education program and author of
the study.

“However, simply examining overall trends for the 55–64-year-old population does not take into account the fact that most
changes that employers have made to retiree health benefits for current early retirees are much more likely to affect future
retirees than early retirees. It also does not take into account the changes that individuals ages 55–64 will make in response
to changes in the availability of health insurance.”

Looking to the future, Fronstin says the erosion of retiree health insurance may ultimately change retirement patterns as
employees nearing retirement age postpone their decision to retire upon learning that, without a job, they may not be able to
obtain health insurance coverage or afford health care services that are not covered by insurance. The health insurance
status of the population nearly eligible for Medicare also has implications for the Medicare program, to the degree that any
increase in the uninsured population entering Medicare results in higher costs to the program, Fronstin writes.

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