

Fast Facts from EBRI

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How Much Value Do Workers Place on Health Benefits?

WASHINGTON—What value do workers place on employment-based health benefits? Would workers be willing to exchange their health benefits for an additional \$7,500 in taxable income? Among employers that provide health benefits, that was about the average per-employee cost of health benefits for active workers and their dependents in 2006 (and it's not counted as taxable income to employees).

The 2007 Health Confidence Survey, released recently by the nonpartisan Employee Benefit Research Institute (EBRI), asked several questions that sought to determine the value workers place on employer-based health benefits. Here are some of the findings:

- Perhaps because of the increased costs that many are experiencing, most Americans with employment-based health benefits value them above the actual dollar amount that employers pay toward the coverage.
- When employed Americans with health coverage were asked whether they would prefer \$7,500 in employment-based health insurance coverage or an additional \$7,500 in taxable income, three-quarters (76 percent) chose the employer-provided health coverage. Of those, about one-quarter each said their employer would have to give them an additional \$10,000–\$14,999 (22 percent) or \$15,000 or more (25 percent) in taxable income for them to willingly give up their coverage.
- Fifteen percent stated no amount of taxable income would be enough. Six percent said they would accept less than \$10,000, while 3 in 10 (31 percent) were unsure of the amount. These results are consistent with the results of similar questions asked in previous years.
- Most of those with employment-based coverage would prefer to continue receiving their current level of health benefits from their employer even if some of the premium were taxed (62 percent). About one-quarter (27 percent) would choose to reduce the level of health benefits they receive from their employer so that they paid no taxes on the premium. About 1 in 10 (9 percent) were not sure which they would prefer.

Most Americans with employment-based health benefits are confident that their employer or union will continue to offer health insurance for its workers. Almost 3 in 10 (28 percent) in the survey were extremely confident that this will continue to be the case. This represents a decrease from the 35 percent extremely confident in 2004, but is statistically equivalent to the levels measured in 2000 and 2002. About 3 in 10 each in the 2007 survey were very (30 percent) or somewhat (28 percent) confident.

Confidence That Employers Will Continue to Offer Health Insurance Coverage, Among Those With Employer-Based Coverage, 2000–2007

	2000	2002	2004	2007
Extremely confident	30%	27%	35%	28%
Very confident	38	34	27	30
Somewhat confident	25	27	23	28
Not too confident	4	7	7	6
Not at all confident	3	4	6	6

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2000–2007 Health Confidence Survey.

Complete results of the 2007 Health Confidence Survey appear in the November 2007 *EBRI Notes*, available at www.ebri.org

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