

Loss of Jobs With Employment-Based Health Coverage During the Pandemic

In response to the COVID-19 pandemic, most states imposed lockdown orders that closed many workplaces and dramatically slowed U.S. economic activity in the spring of 2020. The result was a massive increase in unemployment. During the 15 weeks from mid-March to the end of June, Americans filed nearly 49 million new claims for unemployment benefits.

The strong link between employment and health insurance coverage has important implications for Americans' insurance coverage and access to health care during the pandemic. Employer-sponsored health insurance (ESI) is the most common form of health insurance in the United States. In March 2019, 69 percent of the 152 million workers ages 16 and older had ESI, meaning that 175 million workers and their dependents had coverage. If millions of workers and their dependents have lost ESI during the pandemic, we would expect increased enrollment in Consolidated Omnibus Budget Reconciliation Act (COBRA) continuous coverage, Affordable Care Act (ACA) marketplace plans, and Medicaid, as well as an increase in the number of uninsured.

The path from loss of a job with ESI to loss of health insurance is not simple and depends on three factors:

- Is the job loss temporary or permanent, and if temporary, does the employer continue ESI coverage until the worker is called back to work?
- To what extent will temporary layoffs without loss of ESI become permanent layoffs with loss of ESI?
- When workers do lose ESI, either at the time of layoff or when a temporary layoff becomes permanent, how many will obtain coverage through other family members, COBRA, the ACA marketplace, or Medicaid?

All three of these factors involve considerable uncertainty, and any estimate of losses of ESI or of any health insurance coverage resulting from the pandemic-driven recession must be understood as provisional.

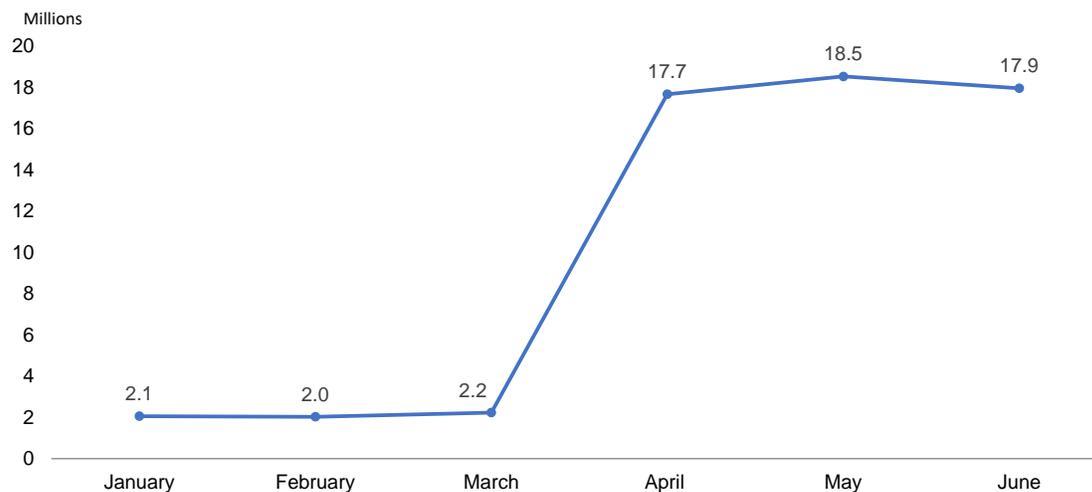
In a recent report, "[How Many Americans Have Lost Jobs with Employer Health Coverage During the Pandemic?](#)," the Employee Benefit Research Institute (EBRI) used a combination of health insurance coverage data and state-level data on the characteristics of unemployment benefit recipients to estimate how many workers have lost jobs with ESI following the recent surge of unemployment. We also examined how many of these workers' dependents may have lost coverage.

Overall ESI Coverage Loss

Between February 2020 and June 2020, the number of unemployed individuals increased by 15.9 million, from 2.0 million to 17.9 million (Figure 1). This is a reasonable estimate of the job loss resulting from the pandemic, and it represents 10 percent of pre-pandemic employment (Figure 2).

We estimate that, of these newly unemployed workers, 7.7 million lost jobs with ESI, and these workers experiencing job loss were responsible for 6.9 million dependents who were covered by their ESI. As a result, 14.6 million individuals in total either lost a job with ESI or were the covered dependent of a worker experiencing job loss.

Figure 1
Number of Unemployed Workers, January–June 2020



Note: Unemployed workers are defined as individuals who have filed and been determined eligible for unemployment benefits, have experienced at least one week of unemployment, and have filed a “continued claim” for unemployment benefits in a subsequent week. Source: Department of Labor, Employment and Training Administration’s (ETA) Office of Unemployment Insurance, *ETA 203 – Characteristics of the Insured Unemployed*, https://oui.doleta.gov/dmstree/handbooks/401/iv_4.pdf

Figure 2 Summary of Findings	
Number of workers employed pre-pandemic, February 2020	151.7 million
Number of unemployed workers, June 2020	17.9 million
Number of unemployed workers due to pandemic, June 2020	15.9 million
Unemployed workers as a % of pre-pandemic employment	10%
Number of workers who lost jobs with ESI, February-June average	7.7 million
Number of dependents covered by lost jobs with ESI, February-June average	6.9 million
Total affected by jobs lost with ESI (workers and dependents, February-June average)	14.6 million
Note: ESI = employer-sponsored health insurance	
Source: Authors' analysis of state-level unemployment insurance claims; U.S. Department of Labor, Employment and Training Administration; and the 2019 Annual Social and Economic Supplement to the Current Population Survey.	

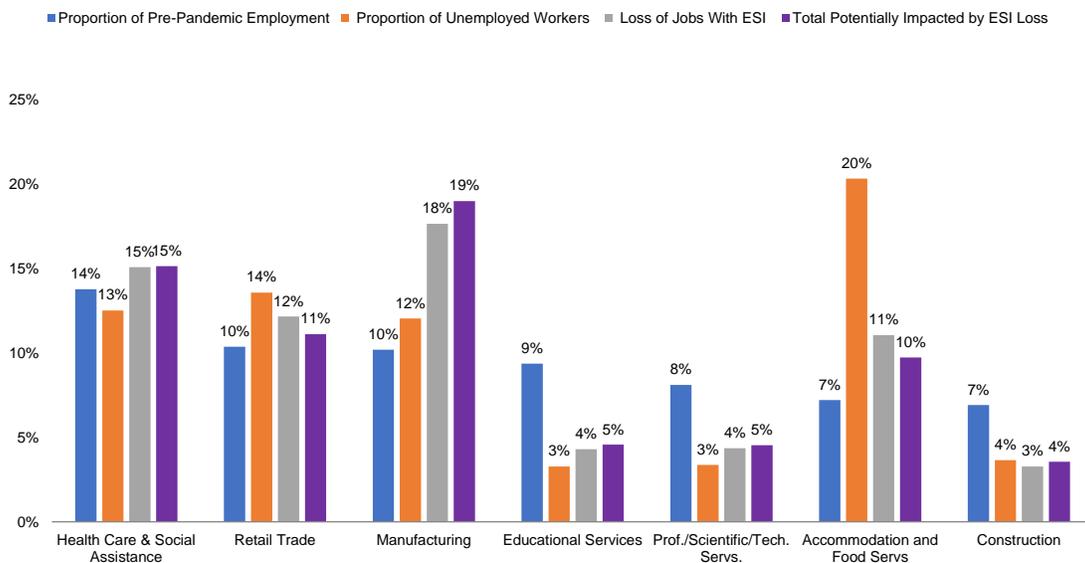
ESI Coverage Loss by Industry

The seven industries shown in Figure 3 accounted for two-thirds of pre-pandemic employment, 69 percent of unemployed workers in June, and 68 percent of lost jobs with ESI. The disparities among these industries in total job loss vs. loss of jobs with ESI are striking. For example, total job losses in manufacturing were roughly proportional to employment — manufacturing accounted for 10 percent of pre-pandemic employment and 12 percent of unemployed workers in June. But because manufacturing has one of the highest rates of ESI coverage (66 percent) (Figure 4), it accounted for a greater proportion of loss of jobs with ESI (18 percent of lost jobs with ESI and 19 percent of potential ESI coverage loss when dependents are included).

In contrast, job losses in accommodation and food services were far out of proportion to employment. Although accounting for only 7 percent of pre-pandemic employment, 20 percent of unemployed workers in June were former accommodation and food service workers. But because only 25 percent of these workers had ESI pre-pandemic, they accounted for only 11 percent of lost jobs with ESI and 10 percent of potential ESI coverage loss when dependents are included.

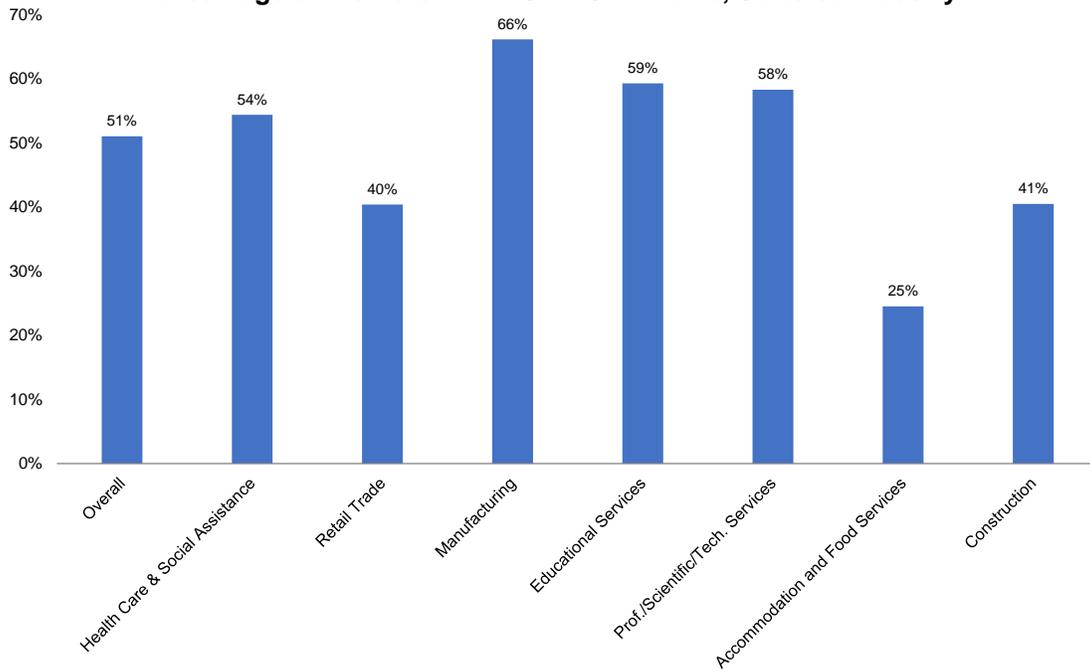
Similarly, retail trade accounted for 10 percent of pre-pandemic employment and 14 percent of unemployed workers in June. But because only 40 percent of workers in retail trade had ESI pre-pandemic, these workers accounted for only 12 percent of lost jobs with ESI and 11 percent of potential ESI coverage loss including dependents.

Figure 3
Impacts by Selected Industry



Notes: These industries account for 66 percent of employment pre-pandemic and 69 percent of post-pandemic job losses. ESI = employer-sponsored health insurance.
Source: Authors' analysis of state-level unemployment insurance claims; U.S. Department of Labor, Employment and Training Administration; and the 2019 Annual Social and Economic Supplement to the Current Population Survey.

Figure 4
Percentage of Workers With ESI in Own Name, Selected Industry

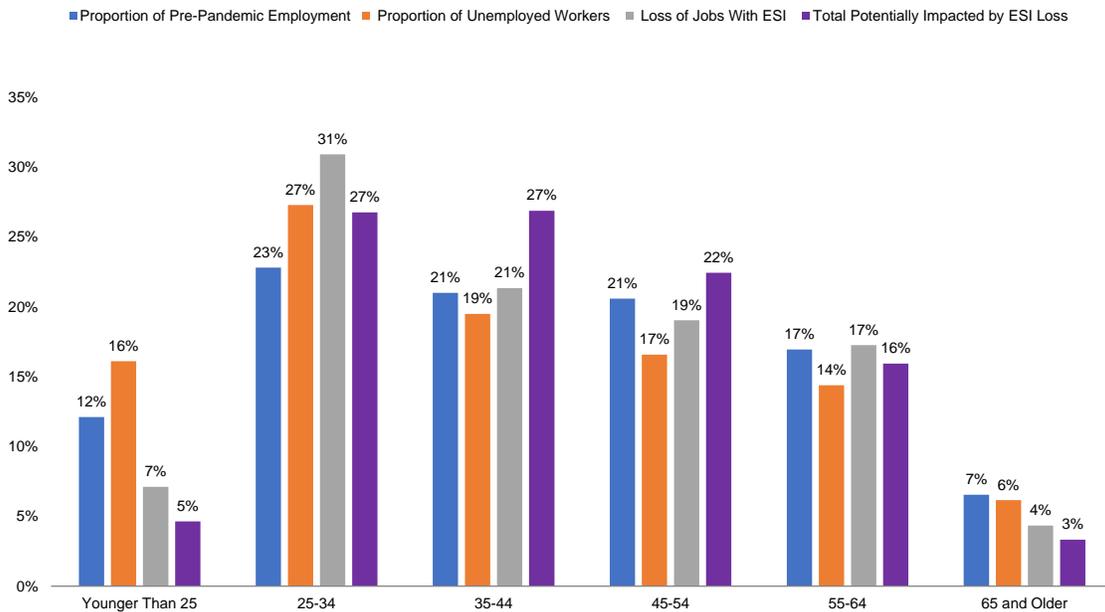


Notes: These industries account for 66 percent of employment pre-pandemic and 69 percent of post-pandemic job losses. ESI = employer-sponsored health insurance.
 Source: Authors' analysis of 2019 Annual Social and Economic Supplement to the Current Population Survey.

ESI Coverage Loss by Age

Figure 5 shows that workers ages 35 to 44 and 45 to 54 bore the brunt of ESI-covered job losses. They accounted for 19 percent and 17 percent, respectively, of workers who lost jobs. But because workers in these age groups were the most likely to be covering spouses and other dependents, they accounted for 27 percent and 22 percent, respectively, of the total potentially impacted by ESI loss. In contrast, workers younger than age 25 and ages 65 and older accounted for disproportionately small shares of the total potentially impacted by ESI loss because of their relatively low rates of ESI coverage.

Figure 5
Impacts by Age Group



Source: Authors' analysis of state-level unemployment insurance claims; U.S. Department of Labor, Employment and Training Administration; and the 2019 Annual Social and Economic Supplement to the Current Population Survey.

Conclusion

The path from loss of a job with ESI to loss of health insurance is not simple. It follows that the evolution of ESI coverage during the pandemic will be far from straightforward and will depend on many unpredictable circumstances. Only with time will we know how many job losses are ultimately permanent and result in loss of ESI. In the interim, it will be important to monitor key labor market statistics, including the number of workers on furlough or temporary layoff whose unemployment becomes permanent and the number of workers experiencing job loss who have been unemployed for 15 weeks or more and are unlikely to be attached to an employer and covered by ESI.

The report, “[How Many Americans Have Lost Jobs with Employer Health Coverage During the Pandemic?](#)” was published as the October 2020 *EBRI Issue Brief* in collaboration with the [W.E. Upjohn Institute for Employment Research](#).

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