



HOW THE NEW LABOR MARKET IS SQUEEZING WORKFORCE HEALTH BENEFITS

James L. Medoff, Howard B. Shapiro, Michael Calabrese,
and Andrew D. Harless

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INTRODUCTION

The large majority of American families with health insurance obtain their coverage through an employer—whether their own, their spouse’s, or a parent’s. Indeed, employer-sponsored insurance (ESI), which covers nearly 63 percent of Americans, has served as the foundation for the U.S. health insurance system for half a century.

Throughout the 1980s and early 1990s, however, the percentage of people with ESI declined. And, while ESI rates appear to have stabilized since 1993—largely because of a high-employment economy and the continuing trend toward two-worker families—the proportion of private sector employees who are insured through their own jobs has continued to decline. The share of U.S. workers under age 65 with health insurance through their own employer fell from two-thirds (66%) in 1979 to just over half (54%) in 1998. This decline is particularly disturbing because it affects the major source of health care financing for employees and their families.

To understand how labor market trends have contributed to the decline in the proportion of private-sector workers receiving benefits from their own employers—and to anticipate future trends—this study examines changes over a 19-year period, 1979 to 1998.² Current Population Survey (CPS) results for 1979–98 and hourly compensation data from the U.S. Department of Labor were used to gauge the extent of decline across various industry, occupation, and wage groups, as well as to draw implications for the U.S. workforce. The study addresses the following questions:

- To what extent does the decline in “own-employer” health benefits reflect a shift from manufacturing jobs to service industry jobs, or a shift from employment in large firms to small firms?
- Does this pattern hold for both male and female employees, as well as for different age groups?
- How have low- and moderate-wage workers been affected?

¹ This report is based on a more extensive report by the authors. See James L. Medoff, Howard B. Shapiro, Michael Calabrese, and Andrew D. Harless, *The Impact of Labor Market Trends on Health Care Coverage*, Center for National Policy, April 2001. Copies of the full report, detailed tables, and methodologies report are available online at www.cnponline.org.

² The 1979 Current Population Survey covers benefits for 1979 while the 1999 survey covers benefits for 1998; thus, the period studied was 19 years.

- Has the trend had an impact on the inequality of compensation?

Overall, the study's findings reveal a troubling erosion in health benefits within most industries—whether in the manufacturing or service sector. The data suggest that market forces are putting a squeeze on benefits throughout the economy. Health insurance coverage for low- and modest-wage private sector employees is of particular concern. For workers who are among the lowest 40 percent of wage earners, the study finds that coverage rates and the value of employer-paid health benefits started at much lower levels and fell more steeply. While the increase in two-earner families has offset some of this loss, the general trend indicates that the low-wage workforce of the future may encounter reduced access to affordable health insurance. Moreover, adult workers have few public health insurance options if their jobs do not offer a health plan.

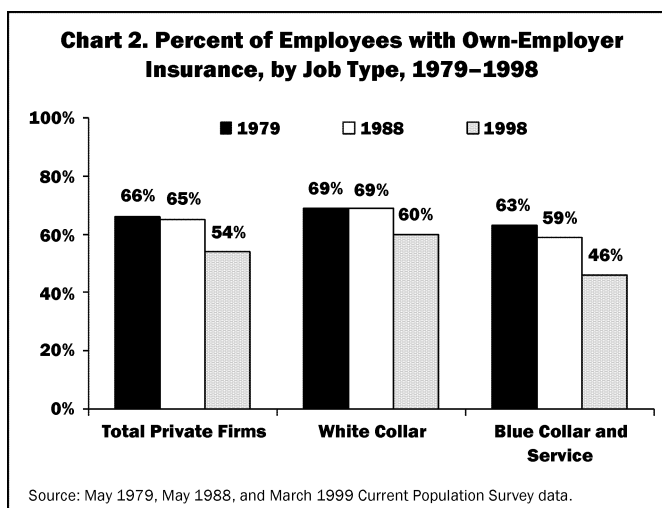
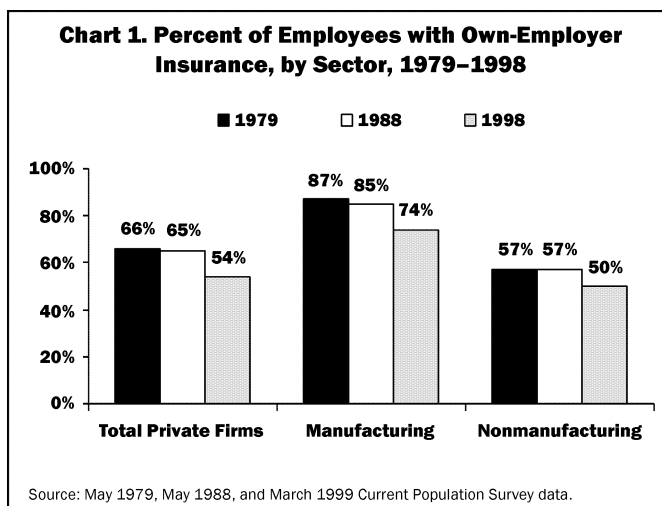
Addressing health insurance needs in today's labor market may require new policy approaches. The concluding section of the report outlines some of the questions raised for policymakers if the nation is to provide more secure health coverage for workers and their families.

FINDINGS

Industry Shifts Only Partly Explain Decline in Own-Employer Coverage

During the 19-year study period, the U.S. economy continued its post–World War II shift away from manufacturing and toward service industries.³ Workers in private manufacturing firms at both the start and end of the 1979–98 period were markedly more likely to have health benefits through their own jobs. Yet the decline in manufacturing jobs only partly accounts for the decrease in own-employer benefits.

Health coverage rates, in fact, fell *more* sharply for manufacturing than for nonmanufacturing jobs (Chart 1). While own-employer health coverage among nonmanufacturing employees declined from 57 percent in 1979 to just under 50 percent in 1998, it fell from nearly 87 percent to less than 74 percent—a 15 percent drop—for manufacturing employees during the same period. In both the manufacturing and nonmanufacturing sectors, the fall-off was most dramatic for blue-collar and service workers (Chart 2). Overall, analysis of CPS trends shows that industry and occupation shifts account for just 30 percent of the decline in employee coverage. The remaining 70 percent is due to a broad-based drop in own-employer coverage rates within nearly all industries.⁴



³ During this period, manufacturing jobs as a share of private sector employment fell by 11 percentage points. By 1998, they accounted for less than one-fifth of jobs. See Appendix Table 1.

⁴ This finding is the result of multivariate analysis and time trends. See James L. Medoff, Howard B. Shapiro, Michael Calabrese, and Andrew D. Harless, *The Impact of Labor Market Trends on Health Care Coverage*, Center for National Policy, April 2001, pp. 3–4.

The decline in employee health coverage is often attributed to supposed growth in the number of workers employed by small firms, which are generally less likely to offer benefits. However, from 1979 to 1998, the proportion of the private sector workforce employed by firms with fewer than 100 employees remained nearly constant, with a modest increase in the proportion working for firms with 100 to 499 employees. (Table 1). Employees of smaller firms began and ended the 19-year period much less likely than employees of larger firms to have health coverage through their own job. But the decline in own-employer health coverage was most steep among firms employing more than 500 workers. The proportion of workers with own-employer benefits in this category fell nearly 25 percent (from 86.3% to 64.6%), compared with a 10 percent drop among businesses with fewer than 100 employees (from 43.9% to 39.5%). In part, this pattern of steeper declines among larger employers reflects the growing proportion of service industry firms that are large employers.

Table 1
Change in Employment and Change in Percent of Employees
with Own-Employer Insurance, 1979–1998 (by firm size)

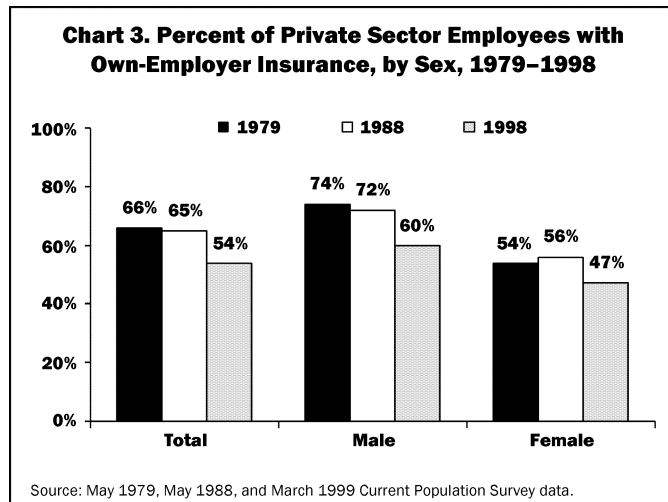
<i>Base: Private, nonagricultural workforce</i>	1979	1988	1998	1979–1998 Change
Population (millions)	68.0	77.2	108.8	40.8
Employment Distribution	Percent of Total Private Sector Employment			
Firm Size Under 100	45.6	43.6	40.2	-5.4
Firm Size 100–499	12.2	8.5	15.8	3.6
Firm Size 500–999	4.7	4.1	6.1	1.4
Firm Size 1000+	37.4	43.8	37.9	0.5
Manufacturing, Firm Size <500	10.3	8.2	8.8	-1.5
Manufacturing, Firm Size 500+	18.9	16.9	10.3	-8.6
Nonmanufacturing, Firm Size <500	47.5	44.0	47.1	-0.4
Nonmanufacturing, Firm Size 500+	23.3	31.0	33.7	10.4
Employees Receiving Own-Employer Health Coverage	Percent of Employees with Own-Employer Coverage			
Firm Size Under 100	43.9	45.8	39.5	-4.4
Firm Size 100–499	76.6	73.3	62.0	-14.6
Firm Size 500–999	80.8	78.5	66.5	-14.3
Firm Size 1000+	87.0	80.9	64.3	-22.7
Manufacturing, Firm Size <500	72.5	70.4	64.6	-7.9
Manufacturing, Firm Size 500+	95.3	94.1	81.4	-13.9
Nonmanufacturing, Firm Size <500	46.1	46.6	42.3	-2.8
Nonmanufacturing, Firm Size 500+	79.0	72.3	59.5	-19.5

Source: Center for National Policy analysis of 1979–1999 Current Population Surveys.

While the drop-off in own-employer health benefits tended to be steepest in declining industries, such as apparel/finished textiles and electrical machinery, the pattern appeared across growth industries as well (see Appendix Table 2). In the expanding securities and investment industry, for example, the proportion of workers with insurance through their own jobs fell more than 16 percentage points from 1979 to 1998—one of the largest declines of any industry. Only a few industries exhibited an actual increase in own-employer benefit rates during the past two decades. The largest advance occurred in the health care industry itself, as relatively low own-employer coverage rates began to catch up with other industries. Other advances in coverage tended to occur mainly within management and professional job categories, and did not extend to blue-collar, sales, or service workers (see Appendix Table 3).

Gender Gap Narrows While Age Gap Widens

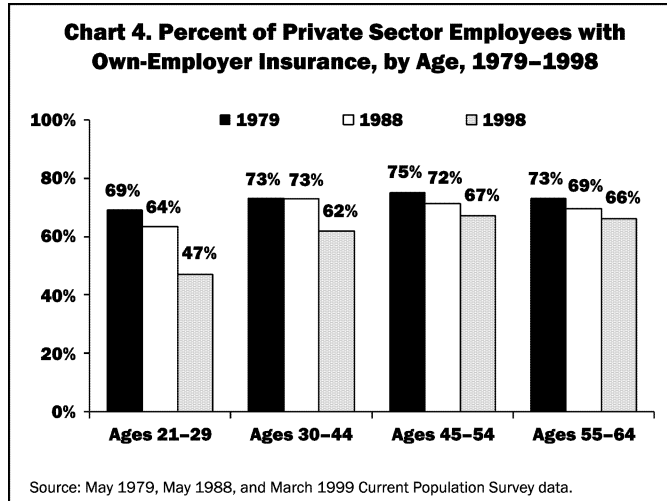
While the proportion of U.S. workers with health coverage through their own jobs has declined, the previously wide gap that existed between men and women has, ironically, narrowed significantly. In 1979, 74 percent of men and only 54 percent of women had health benefits through their jobs—a 20 point difference (Chart 3). By 1998, the gender gap had shrunk to 13 points (60% for men vs. 47% for women).



The cause of this reduced inequality, however, clearly was not a gain in health benefits compensation among female employees. Rather, it was the much steeper decline in own-employer health benefits experienced by men: from 1979 to 1998, the proportion of men receiving benefits from their own employers fell from 74 percent to 60 percent. Female workers started off at a much lower level of own-employer health coverage relative to male workers and remained much less likely to have benefits from their own employers by 1998.

The decline in employer-provided health benefits occurred in all age groups but was steepest for private sector workers ages 21 to 29. From 1979 to 1998, the decline in own-employer health benefits was at least twice as great for these younger workers as it was for

those age 30 or older. Own-employer coverage for 21-to-29-year-olds fell nearly 22 percentage points during this time, from 69 percent to 47 percent (Chart 4). The decline was particularly steep among young male workers: by 1998, less than half (48.8%) of men ages 21 to 29 who were employed by private firms had own-employer benefits, compared with 74 percent in 1979 (see Appendix Table 4).



Gaps in age-related benefit rates were less extreme among women, in part due to women’s generally lower rates of own-employer coverage. The larger drop in own-employer health benefits relative to older age groups is consistent with the more rapidly rising uninsured rates seen in the young adult population since 1987.⁵

Low-Wage Employees Losing Ground

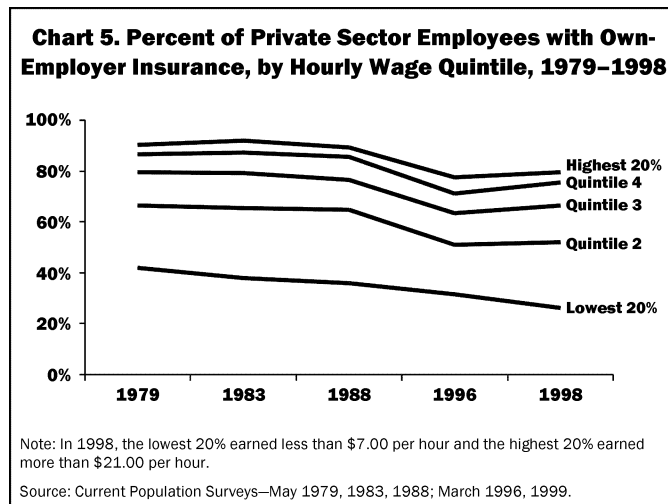
While the gender gap closed somewhat, the wage gap worsened. Low- and moderate-wage private sector workers in blue-collar and service occupations have, in fact, experienced the most severe decline in employer-provided health benefits. From 1979 to 1998, the proportion of blue-collar and service employees who received health coverage through their own jobs declined 17 percentage points, from 63 to 46 percent—a decline that occurred across industries. The own-employer coverage rate for white-collar workers over the same period fell only 9 percentage points, from 69 to 60 percent, or just half as much. In a number of industries, the percentage of management and professional employees receiving health benefits through their jobs remained steady or even improved.

Comparisons of coverage rates for occupational categories across different industries reveal that managerial, professional, and technical employee job categories dominated the group of occupations enjoying gains in employer-provided health coverage over the 1979–98 period (see Appendix Table 3). Those employed in real estate, retail apparel, and the health care industry led the way. Meanwhile, blue-collar, service, sales, and clerical jobs—mostly in manufacturing industries—were dominant among occupations with the steepest losses in own-employer coverage. At the end of the period as at the beginning, managerial, professional, and technical jobs led the list of occupations with the

⁵ See Kevin Quinn, Cathy Schoen, and Louisa Buatti, *On Their Own: Young Adults Living Without Health Insurance*, The Commonwealth Fund, May 2000.

highest rates of own-employer coverage; blue-collar and service occupations in retail and service industries were at the bottom (see Appendix Table 5).

These occupational patterns reflect an underlying decline in private sector health benefits provided to low- and moderate-wage employees through their own jobs. Barely one-fourth (26%) of the bottom fifth of adult wage-earners, ages 21 to 64, reported having own-employer coverage by 1998, down from 42 percent in 1979. In contrast, the rate of own-employer coverage for the top fifth



of wage earners was 80 percent (Chart 5)—more than three times higher. This sharp drop-off among lower-wage earners affected both men and women, with the greatest decline occurring among low-wage men⁶ (see Appendix Tables 6 and 7). In general, the gap in the likelihood of coverage through own-employer benefits widened between the lowest 40 percent and highest 40 percent of wage earners within the private sector, leaving lower-wage workers further behind at the end of the 19-year span than they were at the beginning.

Workers Paying Greater Share of Health Premiums

To the extent that employees received benefits through their own employers, they were far more likely to pay a share of the premium in 1998 than they were in 1979. By 1998, only 26.6 percent of private sector employees reported that their employers paid the premium in full, versus 45.5 percent in 1983. Most of this decline occurred from 1983 to 1995, a period of rapid inflation in health insurance costs nationwide.⁷

Despite this decline in fully paid employer premiums, payments by private sector employers for benefits increased, on average, from \$0.74 per hour in 1986 to \$1.28 per hour in 1999, based on businesses' reports of health benefit compensation expenditures. Adjusting for health care inflation, however, the average real purchasing value of contributions per hour actually *fell* by 17 percent. This fall-off reflects both the decline in the share of employees receiving any benefits and the shift in the proportion of premiums

⁶ Quintiles for male and female workers were calculated relative to each group's wage distribution.

⁷ The percentage of private sector employees with fully paid own-employer coverage was 45.5% in 1983, 39.7% in 1987, 27.7% in 1995, and 26.6% in 1998.

paid by employees versus employers. As a result, employees received less in terms of keeping up with the cost of health insurance premiums.

The decline was most severe for low-wage workers. Employers' payments per hour were far lower for the bottom third of wage earners than for the top third, which received more than twice the health benefit compensation per hour. Moreover, the gap widened noticeably over the past 13 years (Table 2).

Table 2
Average Private Sector Business Expenditures* per Hour for Health Insurance Benefits, 1986–1999

	1986	1991	1995	1999
Private Sector Average Costs Per Hour (actual dollars)*	\$0.74	\$1.10	\$1.24	\$1.28
By Earnings**				
Bottom third	\$0.47	\$0.62	\$0.69	\$0.73
Middle third	\$0.76	\$1.15	\$1.30	\$1.34
Top third	\$0.98	\$1.52	\$1.74	\$1.77
Gap: top/bottom	\$0.51	\$0.90	\$1.05	\$1.04
Ratio: top/bottom	2.09	2.45	2.52	2.42
Inflation-Adjusted Private Sector Average Costs Per Hour (1999 dollars)*	\$1.53	\$1.57	\$1.41	\$1.28
By Earnings**				
Bottom third	\$0.97	\$0.88	\$0.78	\$0.73
Middle third	\$1.58	\$1.65	\$1.48	\$1.34
Top third	\$2.03	\$2.17	\$1.98	\$1.77
Gap: top/bottom	\$1.06	\$1.29	\$1.20	\$1.04
Ratio: top/bottom	2.09	2.47	2.54	2.42

* Health insurance costs are the average employer benefits paid per hour worked. Inflation-adjusted costs are costs per hour adjusted to 1999 levels using the health care CPI.

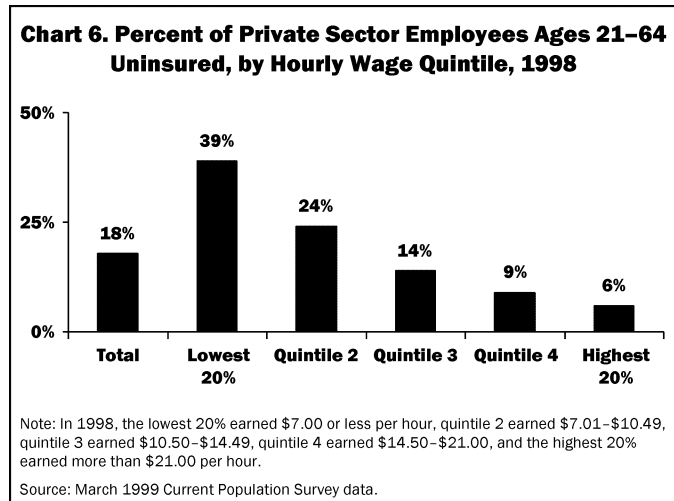
** Earnings refer to mean wage and salary compensation within each occupational and industry group.

Source: Authors' analysis of published and unpublished data from the U.S. Bureau of Labor Statistics survey *Employer Costs for Employee Compensation*.

In general, these findings indicate a relationship between rising health insurance costs and declining own-employer coverage that is in line with other recent studies.⁸ Even where businesses offer coverage, the jump in the share of premiums paid by employees that occurred by 1995 has meant that rising premium costs are increasingly the responsibility of employees.

⁸ See, for example, Richard Kronick and Todd Gilmer, "Explaining the Decline in Health Insurance Coverage, 1979–1995," *Health Affairs* 18 (March/April 1999): 30–47.

The decline in affordable coverage through work translates into high uninsured rates among low-wage workers. At the end of the 1979–98 period, 39 percent of employees in the bottom fifth of wage earners were uninsured, as were 24 percent of those in the next lowest fifth (Chart 6).



CONCLUSION

Employer-based benefits are the linchpin of the nation’s health insurance system. The ease of enrolling in an employer-sponsored health plan and paying through payroll deductions makes the workplace particularly convenient for purchasing health insurance. As a recent study noted, the near-automatic nature of employer-based coverage leads to high participation rates among workers when benefits are offered.⁹

Over the last two decades, however, labor market forces and health care cost pressures have been driving down the proportion of U.S. workers obtaining health coverage through their own employers. While the decline has cut across industries, occupations, and income categories, it has been felt most by workers at the bottom of the wage scale. This trend is likely to persist if health insurance costs continue to outpace wage gains. To the extent that low-wage employees work side by side with high-wage employees, the former may derive some protection from eroding employer health coverage.¹⁰ But if wage groups become more concentrated within specific industries or regions and insurance premium inflation returns, for some employees further decline is likely.

The study raises basic questions about the future viability of current insurance coverage for workers and their families and points to the need for creative policies. Given the substantial variability in coverage by industry, occupation, firm size, income, gender, and age, options for the future must consider whether or not different solutions may be necessary for different sectors or groups. Proceeding incrementally also raises the question of how to target solutions: Should those with the lowest rates of coverage or those most at

⁹ Sherry A. Glied, *Challenges and Options for Increasing the Number of Americans with Health Insurance*, The Commonwealth Fund, January 2001.

¹⁰ Jon Gabel, Kimberly Hurst, Heidi Whitmore, and Catherine Hoffman, “Class and Benefits at the Workplace,” *Health Affairs* 18 (May/June 1999): 144–150.

risk of losing coverage be helped first? Should policy options address the substantial inequality in benefit coverage between low- and high-wage workers? If so, what options hold promise?

While the drop in the proportion of employers fully paying for health care premiums may be an understandable response to economic pressures, the shift in cost burdens to employees raises questions about affordability, take-up rates, and, more broadly, how best to finance health coverage in the future. In recent years, tight labor markets have stemmed a potential “race to the bottom” in benefits for low- and moderate-wage workers. Yet the shared roles of employers, employees, and the public sector remain an open question.

Other questions derive from how to share the costs of family coverage, especially in an era of two-earner families. Pressures on family coverage are likely to be particularly severe. The differential in costs of providing benefits to a single employee versus one with a spouse and children raises the basic question of how to share the costs of family coverage.

Underlying the health coverage statistics for American workers are substantial weakness and disturbing trends. Understanding these trends and confronting the public and private policy questions they raise will be essential to building consensus around solutions.

APPENDIX

Appendix Table 1
Change in Employment and Change in Percent of Employees
with Own-Employer Insurance, 1979–1998 (by employment category)

<i>Base: Private, nonagricultural workforce</i>	1979	1988	1998	1979–1998 Change
Population (millions)	68.0	77.2	108.8	40.8
Employment Distribution	Percent of Total Private Sector Employment			
Manufacturing	30.3	25.5	19.2	-11.1
Nonmanufacturing	69.7	74.5	80.8	11.1
White Collar	47.9	53.2	55.8	7.9
Blue Collar & Service	52.1	46.8	44.2	-7.9
Manufacturing, White Collar	9.8	9.4	7.4	-2.4
Manufacturing, Blue Collar & Service	20.5	16.1	11.8	-8.7
Nonmanufacturing, White Collar	38.1	43.8	48.4	10.3
Nonmanufacturing, Blue Collar & Service	31.6	30.7	32.4	0.8
Employees Receiving Own-Employer Health Coverage	Percent of Employees with Own-Employer Coverage			
All Employees	66.0	64.6	54.1	-11.9
Manufacturing	86.6	85.1	73.6	-13.0
Nonmanufacturing	56.9	57.4	49.5	-7.4
White Collar	69.3	69.3	60.3	-9.0
Blue Collar & Service	62.9	59.1	46.3	-16.6
Manufacturing, White Collar	89.2	87.1	80.6	-8.6
Manufacturing, Blue Collar & Service	85.4	83.9	69.5	-15.9
Nonmanufacturing, White Collar	64.2	65.4	57.2	-7.0
Nonmanufacturing, Blue Collar & Service	48.0	45.6	37.9	-10.1

Source: Center for National Policy analysis of May 1979, May 1983, May 1990, March 1996, and March 1999 Current Population Surveys. The 1996 and 1999 surveys refer to coverage in the previous year.

Appendix Table 2
Own-Employer Health Coverage in Industries
Ranked by Employment Growth, 1979–1998

	EMPLOYMENT			OWN-EMPLOYER HEALTH COVERAGE		
	Percent Employed 1979	Percent Employed 1998	Change in Percent Employed	Percent Covered 1979	Percent Covered 1998	Change in Percent Covered
Top 11 Industries in Employment Growth						
Business Services	2.3	5.8	3.5	50.5	50.3	-0.2
Medical Except Hospital	3.0	5.5	2.4	36.0	49.5	13.5
Social Services	0.4	2.4	2.0	51.5	39.1	-12.4
Eating & Drinking Places	5.5	7.3	1.8	21.9	18.1	-3.9
Personal Services	1.3	2.8	1.5	30.4	35.9	5.4
Entertainment, Recreation	1.1	2.3	1.2	36.1	36.6	0.5
General, Misc. Retail	5.4	6.0	0.6	50.0	38.1	-11.9
Engineering, Architecture, Accounting, R&D Services	1.6	2.4	0.9	70.6	68.0	-2.6
Securities, Investment	0.3	0.8	0.5	90.7	74.6	-16.1
Trucking, Warehousing	1.9	2.2	0.4	72.7	58.4	-14.4
Repair Services	1.3	1.6	0.4	47.9	41.8	-6.1
Bottom 10 Industries in Employment Growth						
Electrical Machinery	3.4	2.0	-1.4	91.6	77.2	-14.4
Machinery Except Electrical	3.7	2.4	-1.3	91.3	80.2	-11.2
Transport Equipment	3.4	2.2	-1.2	92.7	84.9	-7.8
Apparel, Finished Textile	1.9	0.8	-1.1	66.1	39.3	-26.8
Primary Metal	1.8	0.7	-1.1	94.7	82.6	-12.1
Fabricated Metal	2.3	1.2	-1.0	86.2	72.9	-13.3
Chemicals & Allied Manufac.	1.9	1.1	-0.8	94.2	81.4	-12.8
Vehicle Related Stores	2.8	2.0	-0.8	57.9	55.7	-2.2
Wholesale Trade	5.3	4.6	-0.7	75.5	63.9	-11.6
Private Household Services	1.7	1.0	-0.7	2.1	7.7	5.7

Source: Center for National Policy analysis of May 1979 and March 1999 Current Population Surveys. The March 1999 survey refers to coverage in the previous year.

Appendix Table 3
Occupations and Industries with the Greatest Increases and Decreases
in Own-Employer Health Coverage, 1979–1998
(by detailed industry and broad occupation)

Detailed Industry	Broad Occupation	Percent Covered 1979	Percent Covered 1998	Change in Percent Covered
Top 10 Increases in Own-Employer Health Care Coverage, 1979–1998				
Real Estate	Mgmt, Prof, Tech	33.2	60.9	27.8
Retail Apparel, Shoes	Mgmt, Prof, Tech	69.0	86.0	17.0
Medical Except Hospital	Mgmt, Prof, Tech	45.3	61.3	16.0
Medical Except Hospital	Sales, Clerical	32.4	47.2	14.8
Education	Blue Collar, Service	26.9	39.8	12.9
Real Estate	Sales, Clerical	25.9	38.7	12.8
Entertainment, Recreation	Mgmt, Prof, Tech	36.3	48.8	12.5
Furniture, Appliances	Mgmt, Prof, Tech	67.1	77.2	10.2
Paper & Allied Products	Sales, Clerical	68.0	77.3	9.3
Medical Except Hospital	Blue Collar, Service	30.0	36.9	6.9
Top 10 Decreases in Own-Employer Health Care Coverage, 1979–1998				
Apparel, Finished Textile	Sales, Clerical	81.8	50.2	-31.7
Apparel, Finished Textile	Mgmt, Prof, Tech	95.0	66.9	-28.1
Apparel, Finished Textile	Blue Collar, Service	62.2	34.7	-27.4
Textile Mill Products	Blue Collar, Service	90.7	64.4	-26.2
Misc. Manufacturing	Sales, Clerical	86.8	60.9	-25.8
Petroleum, Coal Products	Blue Collar, Service	96.0	74.4	-21.6
Furniture Manufacturing	Blue Collar, Service	83.4	61.9	-21.5
Eating & Drinking Places	Sales, Clerical	33.0	11.5	-21.5
Instruments, Photography	Blue Collar, Service	92.0	70.7	-21.3
Stone, Clay, Glass	Blue Collar, Service	90.7	69.9	-20.8

Source: Center for National Policy analysis of May 1979 and March 1999 Current Population Surveys. The March 1999 survey refers to coverage in the previous year.

Appendix Table 4
 Percent of Private Sector Employees with Own-Employer
 Health Coverage, 1979–1998 (by age and sex)

	1979	1983	1988	1996	1998
All Employees	66.0	65.8	64.6	53.6	54.1
Ages 21–64	71.9	71.4	69.5	57.8	59.8
Ages 21–29	68.9	65.5	63.8	47.8	47.1
Ages 30–44	72.8	74.5	72.9	59.2	61.9
Ages 45–54	74.5	73.9	72.1	63.6	67.3
Ages 55–64	73.1	74.5	68.6	66.4	66.3
Males All Ages	74.4	73.5	71.8	59.3	60.3
Males 21–64	80.7	79.3	76.9	63.5	66.3
Males 21–29	73.7	69.2	66.8	49.7	48.8
Males 30–44	84.5	84.4	81.5	65.8	69.7
Males 45–54	84.6	83.4	83.4	72.1	76.3
Males 55–64	81.6	83.9	77.9	73.0	73.7
Females All Ages	54.1	56.4	55.9	47.2	47.3
Females 21–64	59.0	61.5	60.5	51.3	52.5
Females 21–29	62.3	61.2	60.3	45.5	45.3
Females 30–44	55.9	61.7	62.1	51.6	53.0
Females 45–54	58.5	61.3	58.7	54.6	57.3
Females 55–64	59.9	61.9	56.8	58.7	58.0

Source: Center for National Policy analysis of May 1979, May 1983, May 1990, March 1996, and March 1999 Current Population Surveys. The 1996 and 1999 surveys refer to coverage in the previous year.

Appendix Table 5
 Highest and Lowest Own-Employer Health Coverage in 1998
 (by detailed industry and broad occupation)

Detailed Industry	Broad Occupation	Percent Covered 1979	Percent Covered 1998	Change in Percent Covered
Top 10 in 1998				
Own-Employer Health Coverage				
Transport Equipment	Mgmt, Prof, Tech	91.6	91.8	0.2
Food & Kindred Products	Mgmt, Prof, Tech	89.2	91.0	1.8
Mining	Mgmt, Prof, Tech	94.0	89.9	-4.0
Mining	Sales, Clerical	94.5	89.0	-5.5
Railroads	Blue Collar, Service	98.6	89.0	-9.6
Utilities	Mgmt, Prof, Tech	93.8	89.0	-4.9
Fabricated Metal	Mgmt, Prof, Tech	94.4	88.0	-6.4
Rubber, Plastic Products	Mgmt, Prof, Tech	100.0	87.3	-12.7
Primary Metal	Sales, Clerical	95.7	87.2	-8.5
Machinery Except Electrical	Mgmt, Prof, Tech	95.0	87.1	-7.9
Bottom 10 in 1998				
Own-Employer Health Coverage				
Private Household Services	Blue Collar, Service	2.2	7.8	5.7
Eating & Drinking Places	Sales, Clerical	33.0	11.5	-21.5
Eating & Drinking Places	Blue Collar, Service	18.1	13.4	-4.7
Social Services	Blue Collar, Service	44.4	24.0	-20.5
Entertainment, Recreation	Sales, Clerical	33.7	29.1	-4.6
Membership Orgs, Religion	Blue Collar, Service	33.1	29.2	-3.9
Retail Apparel, Shoes	Sales, Clerical	28.0	30.0	2.0
Entertainment, Recreation	Blue Collar, Service	36.8	30.0	-6.8
Business Services	Blue Collar, Service	38.1	31.7	-6.4
Personal Services	Sales, Clerical	30.3	31.9	1.6

Source: Center for National Policy analysis of May 1979 and March 1999 Current Population Surveys. The March 1999 survey refers to coverage in the previous year.

Appendix Table 6
 Percent of Private Sector Employees Ages 21–64 with
 Own-Employer Health Coverage, by Hourly Wage Quintile, 1979–1998

	1979	1983	1988	1996	1998
All Employees Ages 21–64					
All Employees	71.9	71.4	69.5	57.8	59.8
Employees with Known Wages	73.2	72.3	70.4	59.1	60.0
Wage Quintile*					
Lowest 20%	41.9	38.0	35.8	31.7	26.1
Quintile 2	66.6	65.4	64.7	51.0	52.0
Quintile 3	79.4	79.1	76.5	63.5	66.6
Quintile 4	86.7	87.2	85.6	71.2	75.5
Highest 20%	90.4	91.8	89.2	77.4	79.6
Quintile 5–Quintile 1	48.5	53.8	53.4	45.7	53.5

* In 1998, the lowest 20% earned less than \$7.21, quintile 2: \$7.21 to \$10.49, quintile 3: \$10.49 to \$14.42, quintile 4: \$14.42 to \$21.15, and the highest 20% earned more than \$21.15.

Source: Center for National Policy analysis of May 1979, May 1983, May 1990, March 1996, and March 1999 Current Population Surveys. The 1996 and 1999 surveys refer to coverage in the previous year.

Appendix Table 7
 Percent of Private Sector Employees Ages 21–64 with Own-Employer
 Health Coverage, by Hourly Wage Quintile and Gender, 1979–1998

	1979	1983	1988	1996	1998
Male Employees Ages 21–64					
All Employees	80.7	79.3	76.9	63.5	66.3
Employees with Known Wages	82.2	80.4	77.8	64.9	66.6
Wage Quintile*					
Lowest 20%	58.8	49.8	49.7	37.1	32.2
Quintile 2	80.2	77.6	74.5	59.6	61.4
Quintile 3	87.1	88.2	84.0	70.3	73.4
Quintile 4	91.6	92.7	90.3	75.6	81.0
Highest 20%	93.0	93.3	90.8	82.1	84.8
Quintile 5–Quintile 1	34.2	43.5	41.1	45.0	52.6
Female Employees Ages 21–64					
All Employees	59.0	61.5	60.5	51.3	52.5
Employees with Known Wages	60.1	62.3	61.3	52.5	52.7
Wage Quintile**					
Lowest 20%	31.5	28.5	26.3	28.2	23.7
Quintile 2	51.7	51.7	54.0	42.5	44.5
Quintile 3	65.1	71.8	66.9	55.6	59.4
Quintile 4	76.3	77.1	76.2	66.0	67.3
Highest 20%	76.9	82.6	82.0	68.6	68.8
Quintile 5–Quintile 1	45.4	54.1	55.7	40.4	45.1

* In 1998, the lowest 20% of men earned less than \$8.33, quintile 2: \$8.33 to \$12.02, quintile 3: \$12.02 to \$16.83, quintile 4: \$16.83 to \$24.04, and the highest 20% earned more than \$24.04.

** In 1998, the lowest 20% of women earned less than \$6.39, quintile 2: \$6.39 to \$9.13, quintile 3: \$9.13 to \$12.02, quintile 4: \$12.02 to \$17.31, and the highest 20% earned more than \$17.31.

Source: Center for National Policy analysis of May 1979, May 1983, May 1990, March 1996, and March 1999 Current Population Surveys. The 1996 and 1999 surveys refer to coverage in the previous year.

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About the Authors

Dr. James L. Medoff is a CNP National Fellow and the Meyer Kestenbaum Professor of Economics at Harvard University.

Dr. Howard B. Shapiro is a CNP Adjunct Fellow and a health policy consultant based in Bethesda, Maryland.

Michael Calabrese is the former Director of Domestic Policy Programs at the Center for National Policy. He is currently at the New America Foundation.

Dr. Andrew D. Harless is a CNP Adjunct Fellow and an econometric software developer at Intex Solutions, Inc.

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#358 *Job-Based Health Insurance, 1977–1998: The Accidental System Under Scrutiny* (November/December 1999). Jon R. Gabel. *Health Affairs*, vol. 18, no 6. In this article, the author describes how the U.S. employer-based health insurance system evolved following World War II and shows

that the proportion of workers insured through their jobs has fallen steadily in the past two decades—a decline most prominent among disadvantaged groups.

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