



# More Americans Are Losing Health Insurance Every Day

## An Analysis of Health Coverage Losses During the Recession

Nayla Kazzi May 4, 2009

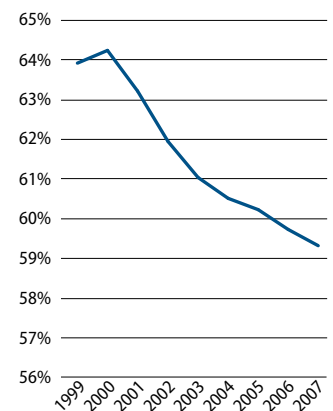
The fear of losing your job is a familiar feeling to many Americans today. And for the nearly six-in-ten Americans—59.3 percent—receiving health care through their employer, that fear is often exacerbated by the anxiety that losing a job also means loss of health care coverage—not just for the worker, but often for their family as well.

While the share of workers relying on employment-based health care coverage has declined from its peak of 64.2 percent in 2000, access to adequate affordable health care for a majority of Americans is still contingent on their employment status.

Employers are shedding hundreds of thousands of jobs every month—just last month employment declined by 663,000—and the number of uninsured Americans continues to rise.

Sixty-two percent of the American public believes that the current economic turmoil makes it more important than ever to take on health care reform, and the need for comprehensive reform becomes all the more evident as conditions in the economy continue to deteriorate and more Americans become uninsured.

**Share of workers with employment-based health insurance, 1999–2007**



Source: U.S. Census Bureau, Current Population Reports

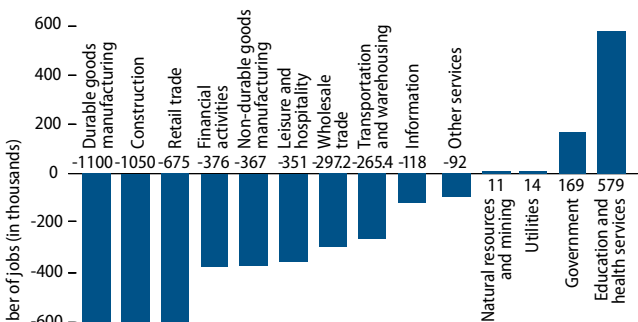
### Estimating the rise in the number of uninsured

Forty-six million Americans lacked health care coverage in 2007, when the national employment level peaked and before the current economic recession officially began. Today, that number is markedly higher as many workers who have lost their jobs have also lost their employer-provided health insurance.

Employers have shed 5.1 million jobs in the last 15 months. Three industries alone—manufacturing, construction, and professional and business services—account for nearly three-quarters of total jobs lost. Manufacturing has shed 1.5 million jobs—1.1 million in durable goods, 367,000 in nondurable goods manufacturing—construction has eliminated 1.1 million jobs; and professional and business services have cut 1.2 million positions.

We estimate that 2.4 million workers have lost the health coverage their jobs provided since the start of the recession, based on data from the U.S. Census Bureau and the Bureau of Labor Statistics. Approximately, 1.3 million of these losses have occurred in the last four months. More than 320,000 Americans lost their employer-provided health insurance in March alone, which amounts to approximately 10,680 workers a day.

Change in jobs by industry since December 2007, in thousands



Source: Bureau of Labor Statistics, Establishment Survey

The following table shows, by industry, the number of jobs lost in the recession, the share of workers who held coverage through these jobs in 2007, and an estimate of the number of workers who have lost this coverage. The estimate of workers who have lost their health insurance is based on the assumption that the newly unemployed had employer-provided health insurance in the same proportion as all workers in their industry. The estimates, however, do not reflect the full extent of health coverage loss due to lost employment. They include only individuals who receive coverage directly from an employer, not those who receive coverage through a family member or spouse’s employer. Estimates for the rise in the number of uninsured are therefore a conservative estimate of the number affected, since it leaves out spouses and children who may have also lost coverage as a result of a spouse or parent losing their jobs.<sup>1</sup>

All industries except four—natural resources and mining, utilities, education and health services, and government—saw declines in their payroll employment over the last 15 months.

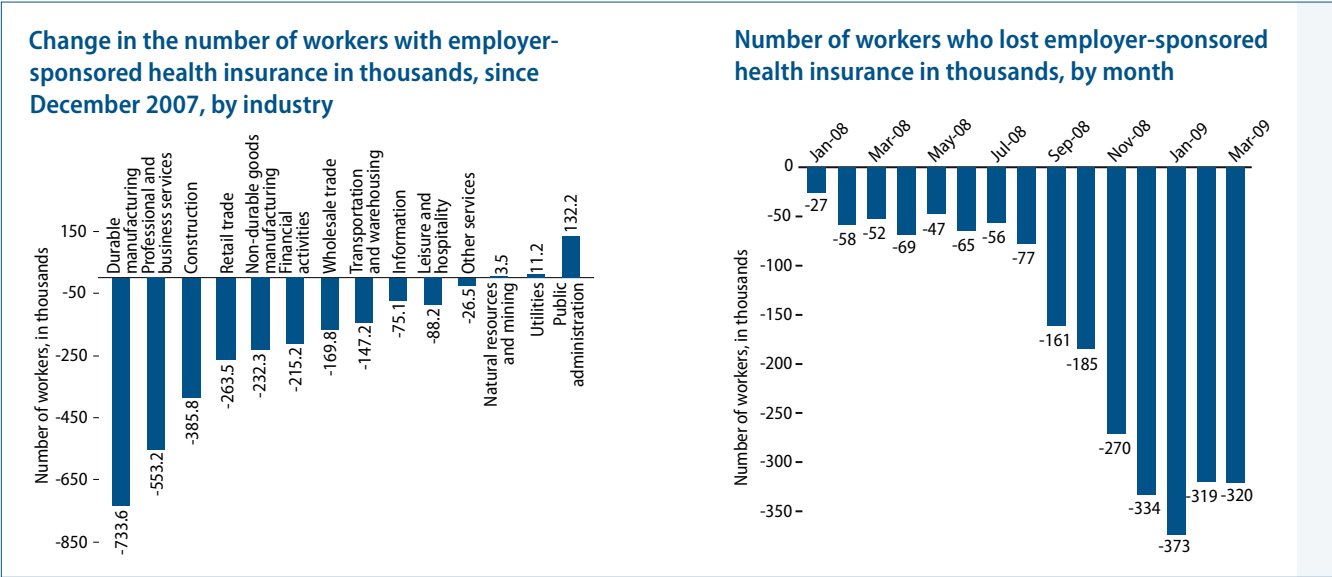
Employees in the durable goods manufacturing sector bore the greatest burden of the losses in coverage with approximately 733,600 workers becoming uninsured since December 2007. Durable goods manufacturing is followed by professional and business services, where 553,200 workers lost employer-based coverage, and construction where another 385,800 workers have lost employer-based coverage since the recession began.

The number of workers who have lost employer-sponsored health insurance (ESI) in the current economic recession

	Change in payroll jobs, in thousands			Share of total workers with ESI, 2007	Change in the number of workers with ESI, in thousands		
	Last 4 months	March 2009	Since Dec-07		Last 4 months	March 2009	Since Dec-07
Natural resources	-39	-18	11	32.1%	-12.5	-5.8	3.5
Construction	-466	-126	-1050	36.7%	-171.2	-46.3	-385.8
Durable manufacturing	-588	-125	-1100	66.7%	-392.2	-83.4	-733.6
Non-durable manufacturing	-184	-36	-367	63.3%	-116.5	-22.8	-232.3
Wholesale trade	-142.6	-31.2	-297.2	57.1%	-81.5	-17.8	-169.8
Retail trade	-233.1	-47.8	-675	39.0%	-91	-18.7	-263.5
Trans. and warehousing	-134.4	-34	-265.4	55.5%	-74.5	-18.9	-147.2
Utilities	6.9	0.9	14	80.1%	5.5	0.7	11.2
Information	-58	-10	-118	63.7%	-36.9	-6.4	-75.1
Financial activities	-176	-43	-376	57.2%	-100.7	-24.6	-215.2
Prof. and business services	-594	-133	-1215	45.5%	-270.5	-60.6	-533.2
Education and health services	105	8	579	56.9%	59.8	4.6	329.6
Leisure and hospitality	-144	-40	-351	25.1%	-36.2	-10.1	-88.2
Other services	-84	-23	-92	28.8%	-24.2	-6.6	-26.5
Government	-5	-5	169	78.3%	-3.9	-3.9	132.2
Total	-2736.2	-663.1	-5133.6		-1346.5	-320.4	-2414.0

Source(s): Bureau of Labor Statistics, Establishment Survey and March 2008 Current Population Survey.

The worst losses have been in recent months. More than 1 million workers lost health care coverage in the first three months of 2009, which is 42 percent of the total losses since December 2007. Approximately, 268,400 more workers lost health care coverage in March 2009 than in March 2008. Month-by-month estimates of the rising number of uninsured demonstrate how the pace of contraction in the labor market has affected the number of people with health insurance.



Source: Author calculations based on payroll data from the Bureau of Labor Statistics, Establishment Survey and data on the share of workers with employer-sponsored health insurance by industry from the March 2008, Current Population Survey.

## More men have lost access to health care coverage than women

Men are more likely to have employer-provided health insurance than their female counterparts in industries where both men and women are employed. This, in conjunction with the fact that male-dominated industries such as construction and manufacturing have fared worse in this recession than female-dominated industries, has exacerbated the impact of job loss on health coverage.

The chart below shows the share of workers with employer-provided health insurance by industry and by gender. Again, the shares below only include workers who obtain health care coverage directly from an employer, excluding individuals who receive coverage through a family member or spouse.

### The number of men and women who have lost employer-sponsored health insurance (ESI) since December 2007

	Change in payroll jobs since Dec-07, in thousands		Share of male workers with ESI, 2007	Share of female workers with ESI, 2007	Change in the number of workers with ESI since Dec-07, in thousands	
	Men	Women			Men	Women
Natural resources	22	7	33.8%	25.8%	7.4	1.8
Construction	-855	-69	36.1%	42.8%	-308.9	-29.5
Durable manufacturing	-710	-265	69.0%	59.9%	-490.2	-158.7
Non-durable manufacturing	-180	-151	69.5%	53.2%	-125.1	-80.3
Wholesale trade	-193.2	-72.8	59.1%	52.9%	-114.3	-38.5
Retail trade	-404.7	-222.5	44.7%	33.1%	-181.1	-73.6
Trans. and warehousing	-161.2	-70.2	55.8%	54.5%	-89.9	-38.2
Utilities	21.4	-8.3	83.2%	69.7%	17.8	-5.8
Information	-52	-56	66.9%	59.4%	-34.8	-33.3
Financial activities	-128	-205	58.2%	56.4%	-74.5	-115.6
Prof. and business services	-658	-424	48.7%	41.5%	-320.2	-176.2
Education and health services	110	461	65.0%	54.2%	71.5	250.1
Leisure and hospitality	-169	-142	28.2%	22.3%	-47.6	-31.7
Other services	-57	-12	35.4%	22.7%	-20.2	-2.7
Government	-13	187	82.9%	73.0%	-10.8	136.5
<b>Total</b>	<b>-3427.7</b>	<b>-1042.8</b>			<b>-1720.9</b>	<b>-396.8</b>

Note(s): This table includes by gender payroll data from the Bureau of Labor Statistics Establishment survey through February 2009.

Source(s): Bureau of Labor Statistics, Establishment Survey and March 2008 Current Population Survey.

Approximately 1.7 million men have lost employer-provided health insurance from their jobs as of February 2009, compared to approximately 396,800 women. Below is a chart with month-by-month changes in the number of men and women with employer-provided health insurance due to changes in employment. It is clear that men have been hit the hardest in the last 15 months, though the number of uninsured women is also compounding.

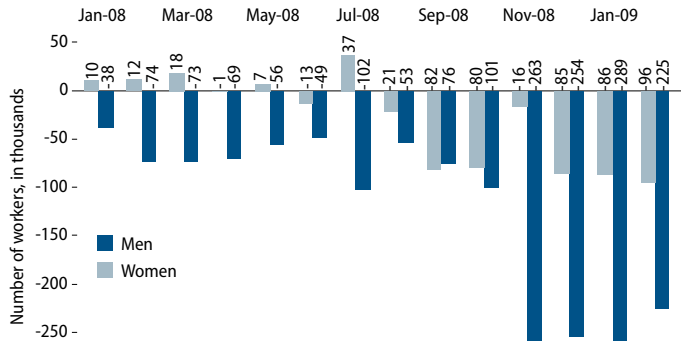
Conclusion

The rapid loss of health coverage demonstrates the fundamental instability of health insurance protections in our current system and the need for comprehensive health reform. As President Barack Obama asserted in a White House forum in March, “Health care reform is no longer just a moral imperative, it is a fiscal imperative... If we want to create jobs and rebuild our economy, then we must address the crushing cost of healthcare this year, in this administration.” The time to deliver quality, affordable health care coverage to our nation’s families is now. The American people cannot afford another missed opportunity.

Endnotes

1 A Center for American Progress previous analysis, based on January’s unemployment numbers, estimated that 14,000 Americans were losing health insurance daily. That analysis relied on methods used to estimate the impact of unemployment on insurance losses from all sources.

Change in the number of male and female workers with employer sponsored health insurance, by month



Source: Author calculations based on payroll data from the Bureau of Labor Statistics, Establishment Survey and data on the share of workers with employer-sponsored health insurance by industry and by gender from the March 2008, Current Population Survey.