

# EMPLOYER-SPONSORED HEALTH INSURANCE IN WISCONSIN

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The nation's health care system is under severe stress. Each year the increase in the cost of health insurance outstrips inflation, leaving fewer employers and employees able to afford coverage. The clearest indicator of this problem is the declining share of private-sector workers who receive employer-provided health care insurance. The Economic Policy Institute has just released a report documenting trends in employer-sponsored health insurance (ESI) in the nation and states. The report finds that the percentage of workers in the United States covered by ESI has fallen every year since 2000. The steady erosion in ESI covered then accelerated from 2008-2009 as the economic slump deepened.

Where does Wisconsin fit into this picture? In comparison to the rest of the nation, Wisconsin is faring relatively well in terms of ESI coverage. Wisconsin has consistently posted strong health insurance coverage rates and continues to do so. The EPI report found that in 2008-2009, 69 percent of Wisconsin's population younger than 65 had health insurance coverage. That rate is sixth highest in the country in overall coverage – well above the nationwide average of 60 percent.

Further, 75 percent of Wisconsin's workers age 18-64 had employer-sponsored health insurance coverage during this period. That ranks us ninth in the country, and Wisconsin remains above the national rate of 69 percent.

But while the state's current level of insurance coverage is better than the national average, Wisconsin's downward trend across the last decade is clear, and alarming. Over the decade, the total number of adults (under 65 years) with ESI fell by 318,000, a decline of 9 percent. Considering just workers, ESI fell by 199,000, or 6 percent. The biggest declines in ESI were posted by the state's children. In 2000, 80 percent of children in the state were covered by ESI, but by 2009, just 70 percent of kids were covered this way. (See the table below for ESI coverage, change from 2000-2009, and the state's ranking.)

## WISCONSIN'S EMPLOYER-SPONSORED HEALTH INSURANCE (ESI) COVERAGE AND RANKING

|                            | 2000-2001 |           | 2008-2009 |           | Change 2000-2009 |          | Rank 2008-2009 |
|----------------------------|-----------|-----------|-----------|-----------|------------------|----------|----------------|
|                            | %         | Number    | %         | Number    | %                | Number   |                |
| Persons under 65 years old | 78.1%     | 3,621,595 | 68.9%     | 3,303,500 | -9.2%            | -318,095 | 6              |
| All workers                | 81.1%     | 2,382,198 | 74.8%     | 2,183,196 | -6.4%            | -199,002 | 9              |
| Children                   | 79.9%     | 1,045,539 | 69.7%     | 917,389   | -10.2%           | -128,150 | 5              |

*Note: In order to ensure that there are sufficient sample sizes for valid statistical inference, the EPI report combines survey years so that 2000-2001 and 2008-2009, respectively, are "bundled" together.*

## About COWS

The Center on Wisconsin Strategy (COWS) is a nonprofit, nonpartisan "think-and-do tank" dedicated to improving economic performance and living standards in the state of Wisconsin and nationally. Based at the University of Wisconsin-Madison, COWS works to promote "high road" strategies that support living wages, environmental sustainability, strong communities, and public accountability. [www.cows.org](http://www.cows.org)

Data in this brief was drawn from the Economic Policy Institute's report, *Employer-Sponsored Insurance Erosion Accelerates in the Recession*. The full report, including nationwide data, is available at: [www.epi.org/publications/entry/bp283](http://www.epi.org/publications/entry/bp283)

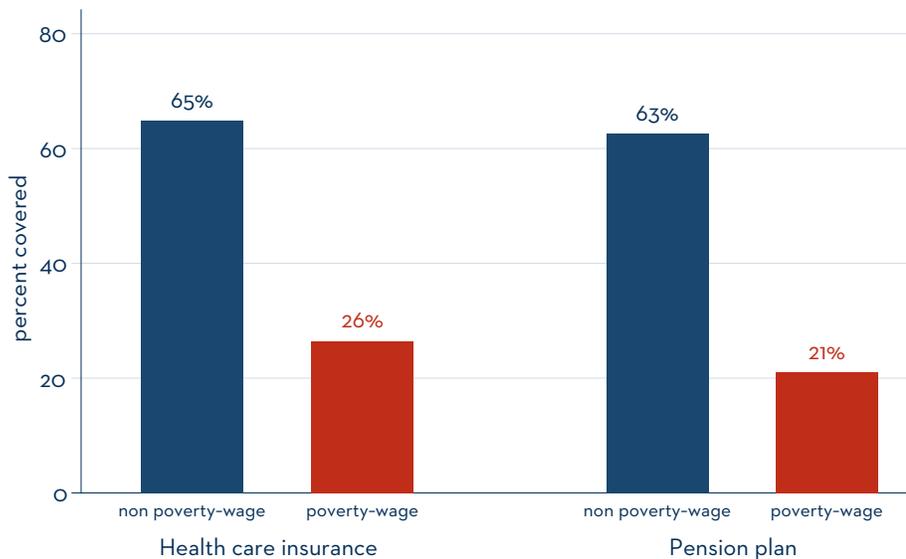
## HEALTH INSURANCE AND LOW WAGES

Looking more closely into the issue in Wisconsin, COWS analysis has found that of workers employed in the private sector (not the entire workforce), only 56.4 percent enjoyed employer-provided health insurance through their own job in 2008.

Importantly, the picture only gets worse if we focus in on Wisconsin's lower-wage workers. As shown in the figure below, those workers who earn less in wages are also those workers least likely to be members of an employer-sponsored health insurance program, placing them in a double-bind of poverty-wage work that is difficult to escape. Just 26 percent of workers holding poverty-wage jobs receive health care insurance through their employers. In better-paying jobs, 65 percent of workers get health care coverage through work. Since only some of the very poor are eligible for Medicaid and BadgerCare (the public programs that provide health care for the uninsured), poverty-wage workers run a very high risk of having to do without any coverage whatsoever.

For more information on employer-sponsored health insurance coverage in Wisconsin, see *The State of Working Wisconsin 2010*. [www.cows.org/soww](http://www.cows.org/soww)

### WISCONSIN COVERAGE BY EMPLOYER-PROVIDED BENEFITS



Source: EPI analysis of CPS Annual Social and Economic Supplement data.