

FACTS & FIGURES

From the Economic Policy Institute

Health Care & Pensions

Workers are receiving less health care and pension coverage through their employers now than in 1979. Only 55.9% are covered by employer-provided health care, and only 45.5% are covered by employer-provided pensions. For those who still received coverage, they are often paying a larger share of the costs, in the case of health care, or have lower quality pension plans.

Health Care Coverage and Costs

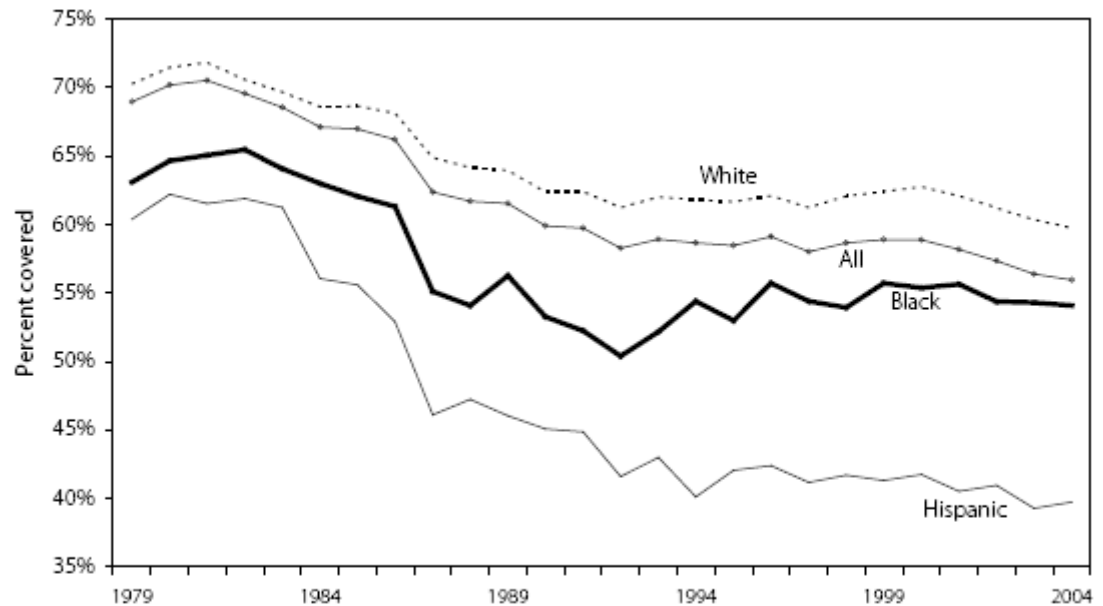
- ❖ Costs for health and pensions grew in the 2000-05 period, with a net increase of \$0.33 per hour from 1995 to 2005. Note, however, that this small rise in benefits costs occurred at the same time that productivity grew 33.3%.
- ❖ Coverage by employer-provided health insurance has declined from 69.0% in 1979 to 61.5% in 1989 and down to 55.9% in 2004 (the latest data available). Those who still receive employer-provided coverage are now paying a larger share of those insurance costs. Employees paid for half of the growth of employer-provided health insurance premiums over the 1992 to 2005 period.
- ❖ Only 19% of workers with the lowest wages participated in their employers' health insurance plan, far less than the 72% participation rate of the highest-wage workers.
- ❖ Forty percent of adults surveyed in the United States reported they went without needed care due to costs. This percentage increased to 57% for the respondents with below-average incomes.
- ❖ While the United States spends more on health care than most wealthy, industrialized countries, about 16 percent or 45.8 million people in the United States did not have any form of health insurance coverage in 2004. Ireland, Austria, and Finland spend about half of what the United States spends, as a percentage of GDP, yet covers 99-100 percent of their respective populations.

Pension Coverage

- ❖ Less than half the workforce is covered by employer-provided pensions. Employer-provided pension coverage receded to 45.5% by 2004, 5.1 percentage points below the level in 1979.
- ❖ Over the entire 1979-2004 period, pension coverage declined primarily among men, from 56.9% to 46.4%. Women's pension coverage, on the other hand, rose slightly, from 41.3% to 44.3%.
- ❖ Lower-wage workers are very unlikely to have jobs with employer-provided pension plans (14.3% were covered in 2004), and less than half of middle-wage workers have pension coverage.

Over the entire 1979-2004 period pension coverage eroded dramatically among all racial/ethnic groups: down 1.5 percentage points among whites, 3.6 percentage points among blacks, and 13.1 percentage points among Hispanics.

FIGURE 3H Private-sector employer-provided health insurance coverage, 1979-2004



Source: Authors' analysis of March CPS.

- ❖ Pension plans have declined in quality as fewer workers are covered by defined benefit plans (which guarantee a fixed payment each year after retirement) and many more are covered by defined contribution plans (which only guarantee a certain contribution). For instance, in 1980 39% of workers had a DB plan, a share which fell to 19% by 2003 (latest data). However, the share of workers in DC plans (but not also a DB plan) rose from 8% to 31% in the period from 1980 to 2003.
- ❖ In 2005, 36.5% of temporary workers and 24.7% of part-time workers were uninsured, while 13.5% of standard (full-time, regular) workers were uninsured.

Contact

- ❖ Nancy Coleman, Karen Conner, Stephaan Harris: 202-775-8810 or news@epi.org

