

# Employment-Based Health Insurance: 1997

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*Household Economic Studies*

P70-81

## INTRODUCTION

Over three-fourths (75.9 percent) of the employed population in 1997 had health insurance through their own employer or another person's employer.<sup>1</sup> Among the unemployed and those who were not in the labor force, 33.2 percent and 45.2 percent, respectively, were covered by employment-based health insurance — usually through a spouse or former employer. Overall, unemployed people were much more likely to be uninsured (46.4 percent) than employed people (14.7 percent) or people not in the labor force (12.5 percent).<sup>2</sup>

This report examines the characteristics of health insurance provided by employers and some characteristics of the employers that offer health insurance. Data for this report were collected from August to November of 1997 as part of the 1996 Survey of Income and Program Participation (SIPP) panel wave 5 topical module on employment-based health benefits. The

same topical module for 2001 SIPP panel was also administered from June 2002 to September 2002, but data from this topical module are not yet available. Additional information about labor market and health insurance status comes from SIPP core sections on health insurance, labor force, and employment. People aged 15 and over in approximately 32,000 households were interviewed.

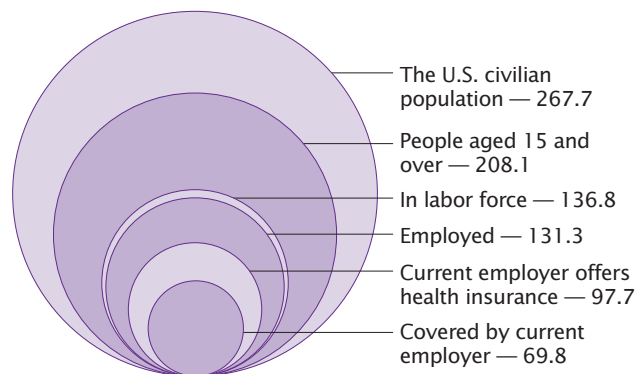
### **Seventy million of the 131 million employed people were covered by their current employer's plan.**

In 1997, nearly 98 million, or 74.4 percent of the 131 million employed population, worked for employers who offered health insurance to their employees. Of those 98 million workers, only 70 million, or 71.5 percent,

## Current Population Reports

By  
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Figure 1.  
**Population, Labor Force Structure, and Health Insurance by Current Employer: 1997**  
(In millions)



Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

<sup>1</sup> The employer offering the health insurance coverage may be the current employer or a former employer. However, we have this information for own employer only. That is, we do not know if another person's employer is the current or a former employer.

<sup>2</sup> See Figure 1. All statements are statistically significant at the 90-percent confidence interval.

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received health insurance coverage from their employers (see Figure 1).<sup>3</sup>

**Unemployed people were most likely to be uninsured.**

Types of health insurance and uninsured rates varied among people of different labor force status. While 75.9 percent of employed people had employment-based health insurance, only 33.2 percent of the unemployed and 45.2 percent of people not in the labor force had employment-based health insurance (see Figure 2).<sup>4</sup>

Unemployed people were less likely than the employed to have employment-based health insurance (33.2 versus 75.9 percent) and more likely to be covered by public health insurance<sup>5</sup> (14.3 versus 2.7 percent) or to be uninsured (46.4 versus 14.7 percent).

Of the three groups, people not in the labor force, which includes people covered by Medicare, were least likely to be uninsured (12.5 percent).<sup>6</sup> They also had the highest rates of privately purchased or military-related health insurance and public health insurance.<sup>7</sup>

Figure 3 shows that over half (52.2 percent) of the people age 15 and over with employment-based health insurance were covered by

<sup>3</sup> Some workers in firms offering health insurance were not eligible for that insurance. See Figure 4, and the text explaining Figure 4, for details.

<sup>4</sup> Those with more than one type of insurance including employment-based insurance are included in an "employment-based" group.

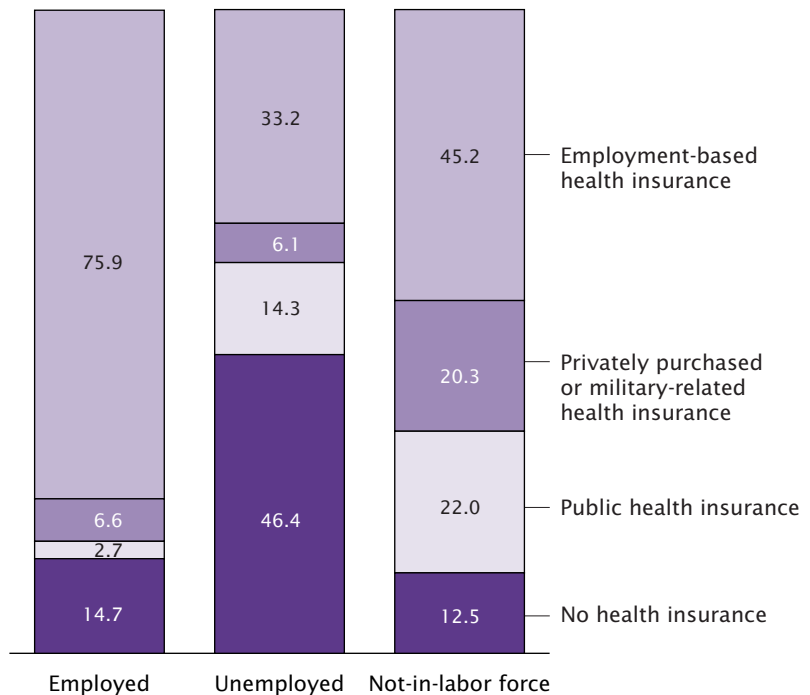
<sup>5</sup> Public health insurance includes Medicaid, Medicare, and other public health insurance plans.

<sup>6</sup> People not in the labor force are those who are without a job and not actively looking for one.

<sup>7</sup> In the SIPP, unlike the CPS, military-related health insurance information for the civilian population is collected and edited, together with the employment-based health insurance and privately purchased health insurance, as a part of private health insurance.

Figure 2. **Types of Health Insurance Among People 15 Years Old and Over by Labor Force Status: 1997**

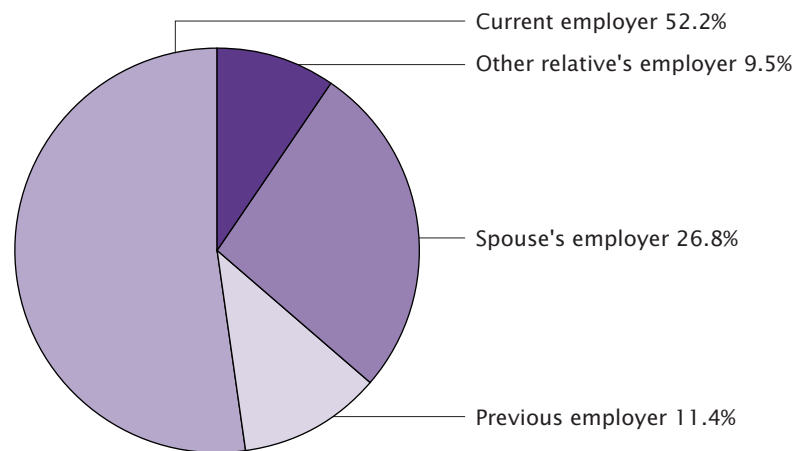
(In percent)



Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

Figure 3. **Sources of Employment-Based Health Insurance: 1997**

(People age 15 and over with such insurance)

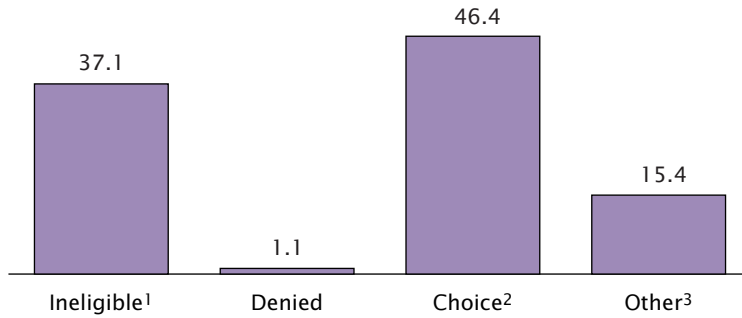


Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

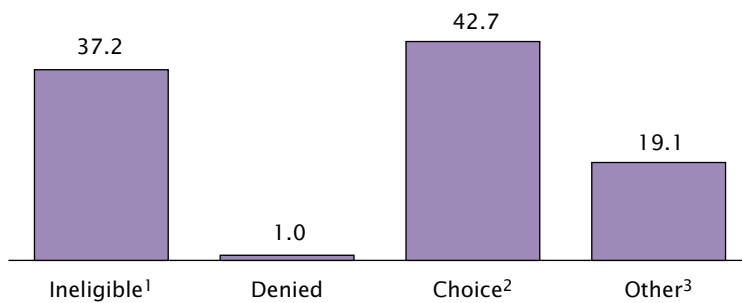
Figure 4.  
**Why Workers Don't Participate in Employment-Based Health Insurance: 1997**

(In percent)

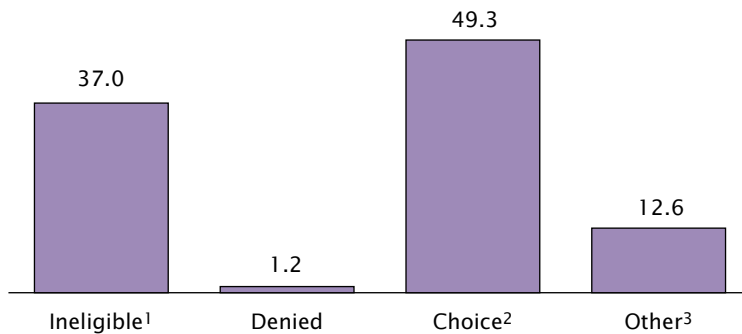
**All Nonparticipants**



**Nonparticipating Males**



**Nonparticipating Females**



<sup>1</sup> Workers who are not eligible to participate in their employer's plan because of job status.

<sup>2</sup> Workers who did not participate in their employer's plan by choice.

<sup>3</sup> Workers not participating for unknown reason.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

their current employer, and over one-fourth (26.8 percent) were covered by their spouse's employer.

**Nonparticipation by choice was more common than lack of eligibility.**

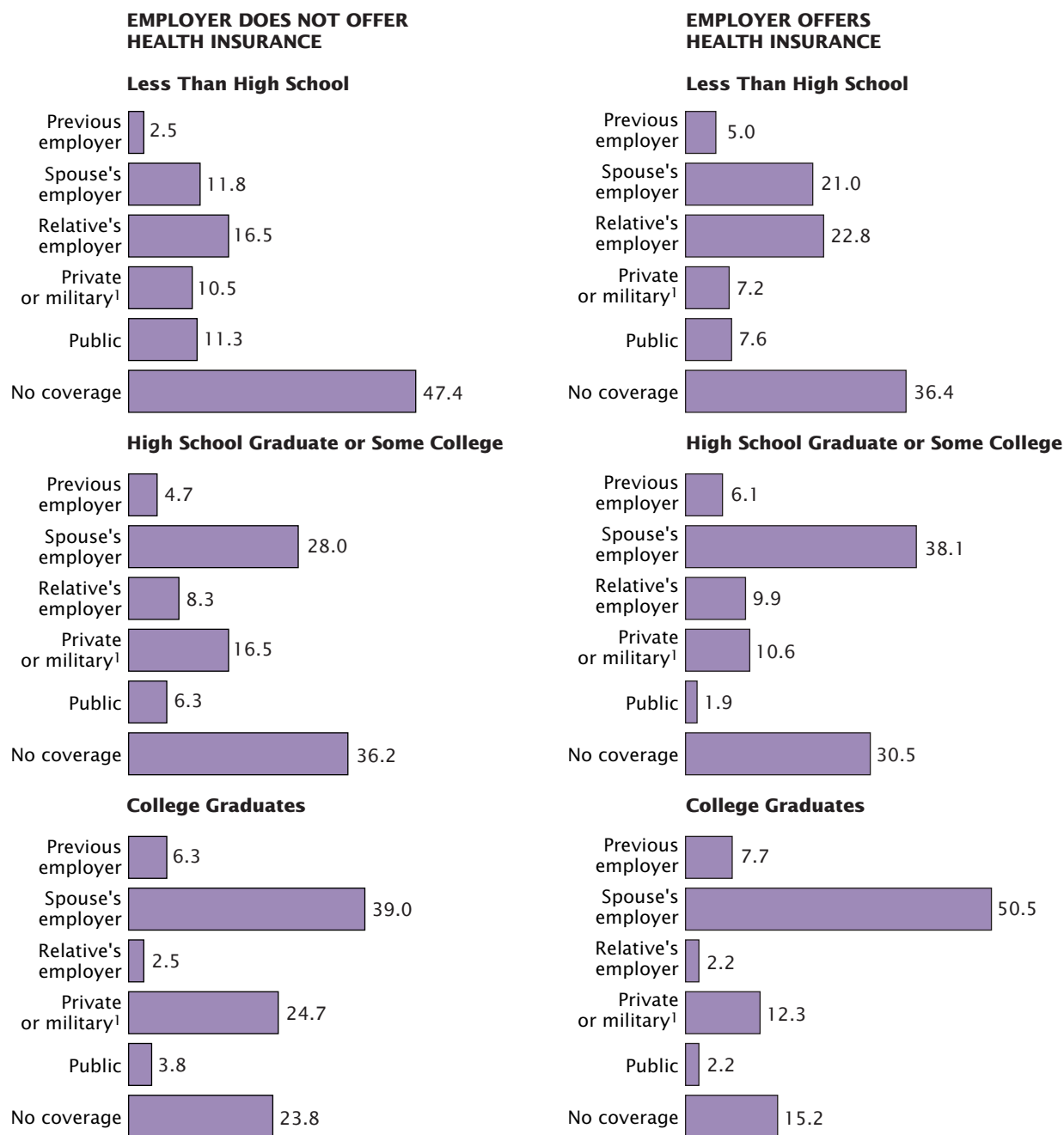
As shown in Figure 4, over one-third (37.1 percent) of nonparticipating workers were not eligible to participate in their employer's health insurance plan (typically because they were temporary, worked part-time, or had not completed their probationary period). Just under one-half (46.4 percent) of workers chose not to enroll in their employer's plan although they were eligible. Typically, they did not enroll because they had health insurance from another source or the plan was too expensive for them. Although both men and women were equally likely to be ineligible or to be denied coverage, men were less likely than women to choose not to be covered by their employer's plan.

**Education was linked with health insurance coverage rates.**

For workers not participating in their employer's plan, and for workers whose employer did not offer health insurance, the likelihood of having health insurance increases with education level. As Figure 5 illustrates, people with higher levels of education were more likely to have health insurance from a source other than their own employer. Among workers who did not complete high school, 47.4 percent with no health insurance offer from their current employer were uninsured, compared with 23.8 percent of college graduates.

Figure 5.  
**Coverage Status of Nonparticipating Workers: 1997**

(In percent)



<sup>1</sup> Privately purchased or military-related health insurance.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

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## HEALTH INSURANCE OFFERS AND COVERAGES

### Workers aged 45 to 64 were more likely to be offered health insurance than other age groups.

Table 1 shows that 74.4 percent of all workers 15 years old and over worked for employers who offered health insurance. Workers 45-64 years old were the most likely and workers 65 and over were the least likely to be offered health insurance (76.9 percent and 48.5 percent respectively).

### Blacks were more likely to be offered health insurance than other races.

Examining offer rates by race and Hispanic origin shows that Blacks were the most likely and Hispanics were the least likely to be offered health insurance.<sup>8</sup> Among non-Hispanic Whites, men were more likely than women to be offered health insurance. Among Blacks, however, women were more likely than men to be offered health insurance.

### Non-Hispanic Whites were more likely to be covered by employment-based health insurance than Blacks or Hispanics.

Table 1 also shows that of all workers whose employer offered health insurance in 1997, 71.5 percent were covered by employment-based health insurance. Overall, non-Hispanic White workers were more likely to be covered than Blacks or Hispanics, and men were more likely to be covered than women.

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<sup>8</sup> Because Hispanics may be of any race, estimates in this report for Hispanics overlap slightly with estimates for the Black population. Based on the 1996 Survey of Income and Program Participation (wave 5), 4.5 percent of the Black population 15 years and over were of Hispanic origin.

Men were more likely to be covered than women in nearly all age, race, and Hispanic origin groups, except for Blacks at ages 45 to 64 and for people 65 years old or over.

## TYPES OF EMPLOYERS PROVIDING HEALTH INSURANCE

### Current employers covered most employed people, followed by employers of workers' spouses.

Current employers were the most important source of health insurance for employed people, covering 53.2 percent of them. Table 2 shows that men 15 to 44 years old were more likely to be covered by this source than women in the same age group: 55.8 percent compared with 46.9 percent. The coverage rate by this source for men aged 45 to 64 was even higher — 64.7 percent, compared with 54.3 percent for women in that age group.

Spouses' employers were also important providers of health insurance; 16.0 percent of all employed, 12.7 percent of unemployed, and 19.9 percent of those not in the labor force were covered through their spouse's employer in 1997.

Older people were more likely than younger people; and, among people aged less than 65, those not currently working (unemployed or not in the labor force) were more likely than those who were employed to have health insurance coverage from a previous employer. Among employed workers 65 and over, 13.4 percent were covered by their previous employer, but only 1.5 percent of employed people aged 15-44 and 3.7 percent of employed people aged 45-64 were covered by previous employers. Coverage rates by previous

employers were at least 20 percent among people 45 and over who were either unemployed or not in the labor force.

People not in the labor force were more likely than others (employed or unemployed), and those aged 15 to 44 were more likely than older people to have health insurance through the employer of a relative (other than spouse). In 1997, this source covered 30.9 percent of men and 18.1 percent of women aged 15 to 44 years old but less than 1 percent of people older than 45 who were not in the labor force.

### Coverage of 2 in every 5 people not in the labor force was not employment-based.

Although employment-based health insurance was the major source of coverage, other sources were essential to many people, whether employed or unemployed, and whether in or not in the labor force.<sup>9</sup> Table 2 shows that, in 1997, only 9.3 percent of employed people had public, privately purchased, or military-related health insurance, compared with 42.3 percent of those not in the labor force.

Across age groups, people aged 65 and over were the most likely to have health insurance coverage — essentially because they qualify for Medicare. Each of the younger age groups had a lesser chance of being covered. People age 65 and over were more likely than younger people to get health insurance from other than employment-based sources, such as public health insurance, privately

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<sup>9</sup> These other sources include privately purchased or military-related health insurance and public health insurance (Medicare, Medicaid, and other public health insurance plans).

Table 1.  
**Employment-Based Health Insurance Coverage Rates by Age, Sex, Race, and Hispanic Origin for Employed People: 1997**

(Numbers in thousands)

Characteristic	All employed total	Offered		Covered	
		Number	Percent of employees	Number	Percent of offers
<b>Total</b> .....	<b>131,290</b>	<b>97,721</b>	<b>74.4</b>	<b>69,845</b>	<b>71.5</b>
Ages 15 and over .....	131,290	97,721	74.4	69,845	71.5
Male .....	70,585	52,632	74.6	40,450	76.9
Female .....	60,705	45,088	74.3	29,396	65.2
Ages 15-44 .....	87,603	65,301	74.5	45,261	69.3
Male .....	47,103	35,142	74.6	26,281	74.8
Female .....	40,500	30,159	74.5	18,980	62.9
Ages 45-64 .....	39,485	30,380	76.9	23,619	77.7
Male .....	21,025	16,330	77.7	13,594	83.2
Female .....	18,459	14,049	76.1	10,025	71.4
Ages 65 and over .....	4,202	2,040	48.5	965	47.3
Male .....	2,457	1,160	47.2	574	49.5
Female .....	1,746	880	50.4	391	44.5
<b>Non-Hispanic Whites</b> .....	<b>99,664</b>	<b>75,125</b>	<b>75.4</b>	<b>54,142</b>	<b>72.1</b>
Ages 15 and over .....	99,664	75,125	75.4	54,142	72.1
Male .....	53,804	40,922	76.1	32,027	78.3
Female .....	45,860	34,203	74.6	22,114	64.7
Ages 15-44 .....	64,284	48,806	75.9	34,245	70.2
Male .....	34,613	26,502	76.6	20,282	76.5
Female .....	29,671	22,303	75.2	13,963	62.6
Ages 45-64 .....	31,731	24,556	77.4	19,087	77.7
Male .....	17,048	13,404	78.6	11,258	84.0
Female .....	14,683	11,153	76.0	7,829	70.2
Ages 65 and over .....	3,649	1,763	48.3	810	45.9
Male .....	2,143	1,016	47.4	487	47.9
Female .....	1,506	747	49.6	323	43.2
<b>Black</b> .....	<b>14,229</b>	<b>11,095</b>	<b>78.0</b>	<b>7,725</b>	<b>69.6</b>
Ages 15 and over .....	14,229	11,095	78.0	7,725	69.6
Male .....	6,649	5,046	75.9	3,611	71.6
Female .....	7,580	6,049	79.8	4,114	68.0
Ages 15-44 .....	10,288	7,974	77.5	5,292	66.4
Male .....	4,826	3,639	75.4	2,513	69.1
Female .....	5,462	4,336	79.4	2,779	64.1
Ages 45-64 .....	3,660	2,980	81.4	2,361	79.2
Male .....	1,704	1,355	79.6	1,073	79.2
Female .....	1,956	1,625	83.1	1,287	79.3
Ages 65 and over .....	281	140	50.0	72	51.5
Male .....	119	52	43.3	25	(B)
Female .....	162	89	54.9	47	53.4
<b>Hispanic Origin<sup>1</sup></b> .....	<b>12,574</b>	<b>8,060</b>	<b>64.1</b>	<b>5,600</b>	<b>69.5</b>
Ages 15 and over .....	12,574	8,060	64.1	5,600	69.5
Male .....	7,624	4,848	63.6	3,490	72.0
Female .....	4,950	3,212	64.9	2,110	65.7
Ages 15-44 .....	9,668	6,118	63.3	4,086	66.8
Male .....	5,918	3,717	62.8	2,568	69.1
Female .....	3,750	2,401	64.0	1,518	63.2
Ages 45-64 .....	2,747	1,870	68.1	1,473	78.7
Male .....	1,592	1,082	68.0	893	82.5
Female .....	1,155	788	68.3	580	73.5
Ages 65 and over .....	158	72	45.3	42	(B)
Male .....	113	48	42.5	29	(B)
Female .....	45	24	(B)	13	(B)

B The base for the derived figure is less than 75,000.

<sup>1</sup> Because Hispanics may be of any race, data in this report for Hispanics overlap slightly with data for the Black population.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997

Table 2.  
**Health Insurance Coverage Types by Age, Sex, and Employment Status: 1997**

(Numbers in thousands)

Characteristic	15 years and over		15-44 years		45-64 years		65 years and over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Total</b> .....	<b>208,059</b>	<b>100.0</b>	<b>120,784</b>	<b>100.0</b>	<b>55,211</b>	<b>100.0</b>	<b>32,064</b>	<b>100.0</b>
<b>Employed</b> .....	<b>131,290</b>	<b>63.1</b>	<b>87,603</b>	<b>72.5</b>	<b>39,485</b>	<b>71.5</b>	<b>4,202</b>	<b>13.1</b>
Current employer .....	69,845	53.2	45,261	51.7	23,619	59.8	965	23.0
Previous employer .....	3,336	2.5	1,295	1.5	1,479	3.7	562	13.4
Spouse's employer .....	21,033	16.0	13,306	15.2	7,323	18.5	404	9.6
Other relative's employer .....	5,500	4.2	5,342	6.1	126	0.3	31	0.7
Privately purchased or military-related .....	8,727	6.6	4,602	5.3	2,601	6.6	1,524	36.3
Public health insurance .....	3,503	2.7	2,387	2.7	468	1.2	649	15.4
No health insurance .....	19,345	14.7	15,411	17.6	3,868	9.8	67	1.6
<b>Unemployed</b> .....	<b>5,527</b>	<b>2.7</b>	<b>4,445</b>	<b>3.7</b>	<b>970</b>	<b>1.8</b>	<b>112</b>	<b>0.4</b>
Previous employer .....	708	12.9	485	10.9	199	20.5	24	21.8
Spouse's employer .....	702	12.7	485	10.9	209	21.6	7	6.4
Other relative's employer .....	425	7.7	425	9.6	-	-	-	-
Privately purchased or military-related .....	339	6.1	233	5.2	54	5.5	52	46.4
Public health insurance .....	790	14.3	672	15.1	89	9.2	28	25.4
No health insurance .....	2,564	46.4	2,145	48.3	419	43.2	-	-
<b>Not in Labor Force</b> .....	<b>71,241</b>	<b>34.2</b>	<b>28,736</b>	<b>23.8</b>	<b>14,756</b>	<b>26.7</b>	<b>27,749</b>	<b>86.5</b>
Previous employer .....	11,246	15.8	1,902	6.6	2,938	19.9	6,405	23.1
Spouse's employer .....	14,164	19.9	6,137	21.4	4,780	32.4	3,248	11.7
Other relative's employer .....	6,799	9.5	6,567	22.9	114	0.8	118	0.4
Privately purchased or military-related .....	14,482	20.3	2,228	7.8	1,654	11.2	10,600	38.2
Public health insurance .....	15,672	22.0	5,419	18.9	3,078	20.9	7,176	25.9
No health insurance .....	8,878	12.5	6,483	22.6	2,193	14.9	202	0.7
<b>Male</b> .....	<b>100,491</b>	<b>48.3</b>	<b>60,234</b>	<b>49.9</b>	<b>26,759</b>	<b>48.5</b>	<b>13,498</b>	<b>42.1</b>
<b>Employed</b> .....	<b>70,585</b>	<b>70.2</b>	<b>47,103</b>	<b>78.2</b>	<b>21,025</b>	<b>78.6</b>	<b>2,457</b>	<b>18.2</b>
Current employer .....	40,450	57.3	26,281	55.8	13,594	64.7	574	23.4
Previous employer .....	2,209	3.1	826	1.8	978	4.7	405	16.5
Spouse's employer .....	6,752	9.6	4,084	8.7	2,494	11.9	174	7.1
Other relative's employer .....	2,823	4.0	2,762	5.9	45	0.2	17	0.7
Privately purchased or military-related .....	5,223	7.4	2,837	6.0	1,540	7.3	847	34.5
Public health insurance .....	1,345	1.9	744	1.6	207	1.0	394	16.0
No health insurance .....	11,783	16.7	9,569	20.3	2,168	10.3	46	1.9
<b>Unemployed</b> .....	<b>2,853</b>	<b>2.8</b>	<b>2,362</b>	<b>3.9</b>	<b>444</b>	<b>1.7</b>	<b>48</b>	<b>0.4</b>
Previous employer .....	380	13.3	261	11.0	104	23.5	15	(B)
Spouse's employer .....	221	7.8	159	6.7	62	14.0	-	(B)
Other relative's employer .....	229	8.0	229	9.7	-	-	-	(B)
Privately purchased or military-related .....	165	5.8	127	5.4	18	4.0	20	(B)
Public health insurance .....	256	9.0	211	8.9	32	7.3	13	(B)
No health insurance .....	1,603	56.2	1,376	58.2	227	51.2	-	(B)
<b>Not in Labor Force</b> .....	<b>27,052</b>	<b>26.9</b>	<b>10,768</b>	<b>17.9</b>	<b>5,290</b>	<b>19.8</b>	<b>10,994</b>	<b>81.4</b>
Previous employer .....	6,432	23.8	908	8.5	1,792	33.8	3,732	34.0
Spouse's employer .....	2,012	7.4	791	7.3	652	12.3	569	5.2
Other relative's employer .....	3,380	12.5	3,323	30.9	37	0.7	21	0.2
Privately purchased or military-related .....	5,511	20.4	1,061	9.9	695	13.1	3,755	34.2
Public health insurance .....	6,219	23.0	2,023	18.8	1,375	26.0	2,821	25.7
No health insurance .....	3,498	12.9	2,662	24.7	741	14.0	95	0.9
<b>Female</b> .....	<b>107,568</b>	<b>51.7</b>	<b>60,550</b>	<b>50.1</b>	<b>28,452</b>	<b>51.5</b>	<b>18,565</b>	<b>57.9</b>
<b>Employed</b> .....	<b>60,705</b>	<b>56.4</b>	<b>40,500</b>	<b>66.9</b>	<b>18,459</b>	<b>64.9</b>	<b>1,746</b>	<b>9.4</b>
Current employer .....	29,396	48.4	18,980	46.9	10,025	54.3	391	22.4
Previous employer .....	1,127	1.9	469	1.2	501	2.7	157	9.0
Spouse's employer .....	14,281	23.5	9,222	22.8	4,829	26.2	230	13.2
Other relative's employer .....	2,677	4.4	2,580	6.4	82	0.4	15	0.8
Privately purchased or military-related .....	3,504	5.8	1,765	4.4	1,062	5.8	677	38.8
Public health insurance .....	2,158	3.6	1,642	4.1	261	1.4	255	14.6
No health insurance .....	7,562	12.5	5,842	14.4	1,699	9.2	21	1.2
<b>Unemployed</b> .....	<b>2,674</b>	<b>2.5</b>	<b>2,083</b>	<b>3.4</b>	<b>527</b>	<b>1.9</b>	<b>65</b>	<b>0.3</b>
Previous employer .....	329	12.3	224	10.7	95	18.0	10	(B)
Spouse's employer .....	481	18.0	326	15.7	147	28.0	7	(B)
Other relative's employer .....	196	7.3	196	9.4	-	-	-	(B)
Privately purchased or military-related .....	175	6.5	106	5.1	36	6.8	33	(B)
Public health insurance .....	533	19.9	461	22.1	57	10.8	15	(B)
No health insurance .....	961	35.9	769	36.9	192	36.4	-	(B)
<b>Not in labor force</b> .....	<b>44,189</b>	<b>41.1</b>	<b>17,968</b>	<b>29.7</b>	<b>9,466</b>	<b>33.3</b>	<b>16,755</b>	<b>90.2</b>
Previous employer .....	4,813	10.9	994	5.5	1,147	12.1	2,673	15.9
Spouse's employer .....	12,153	27.5	5,346	29.8	4,128	43.6	2,679	16.0
Other relative's employer .....	3,418	7.7	3,244	18.1	78	0.8	97	0.6
Privately purchased or military-related .....	8,971	20.3	1,167	6.5	959	10.1	6,845	40.9
Public health insurance .....	9,453	21.4	3,396	18.9	1,703	18.0	4,354	26.0
No health insurance .....	5,380	12.2	3,821	21.3	1,452	15.3	107	0.6

- Represents zero or rounds to zero. B The base for the derived figure is less than 75,000.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.



purchased health insurance, or military-related health insurance.<sup>10</sup>

In the 15-44 and 45-64 age groups, unemployed people were more likely to be uninsured than people who were employed or not in the labor force. Unemployed men aged 15 to 44 were the most likely to be without health insurance at 58.2 percent (not significantly different from the rate of 51.2 for unemployed men 45 to 64).

### **HEALTH INSURANCE BENEFITS VARY BY EMPLOYER CHARACTERISTICS**

#### **Larger companies were more likely than smaller ones to offer and cover its employees with health insurance.**

As shown in Table 3, small businesses were less likely than larger ones to offer health insurance. Among all people who worked for employers with fewer than 25 employees in 1997, only 52.1 percent had health insurance offers from their current employer. The offer rates increased with the size of the company, reaching 91.6 percent for those who worked for companies with 500 to 999 employees, and stayed at this same level for companies with 1,000 or more employees.<sup>11</sup>

Coverage rates also increased with business size. Out of those who worked for employers with fewer than 25 workers, only one-third (33.8 percent) had health insurance coverage through their current employers in 1997. The coverage

rate jumped to two-thirds (66.3 percent) when the employer size reached 500-999 (and 67.8 percent for the largest employers).

#### **Smaller companies were more likely to pay 100 percent of the premium than larger ones.**

The smaller the employer's size, the higher the percentage of covered workers with 100 percent of their health insurance premiums paid by their employer. Just over 44 percent of covered workers in small companies (fewer than 25 employees) had their entire premiums paid by their employer, compared with 29.4 percent of covered workers in companies with 1000 or more employees. Overall, the majority of all covered employees (62.9 percent) had partial premiums paid for their health insurance, while only a small percentage of employees (2.8 percent) were in firms where employers paid none of the premiums.

#### **Larger companies were likely to offer more health insurance choices than smaller ones.**

Larger companies were more likely to offer a choice of several health insurance plans, to cover part-time workers, and to offer long-term care. However, there is no clear relationship between the company's size and types of coverage. For example, employees in larger companies were just as likely to be covered through a Health Maintenance Organization (HMO) as were employees in small and medium-sized companies.

Some currently nonworking people — whether unemployed or not in the labor force — had worked in the past, and some currently employed people had worked for another employer previously. Table 3 shows that for people who had

previous employment (whether or not they are currently working), the previous employer's size was positively associated with a health insurance offer, coverage on the last day of employment and after retirement and coverage at the time of interview. Additionally, larger employers were more likely to cover their retirees with the health insurance as a part of retirement benefits.

#### **Offer rates and coverage rates were not uniform across industries or occupations.**

The number and percentage of employers that offer health insurance varies among industry groups, and so does the likelihood that an employee is covered by the employer's offer. Workers in the educational service industry and the manufacturing industry were the most likely to be offered health insurance — 92.0 percent and 90.7 percent, respectively.<sup>12</sup> Workers in the transportation, communication, and public utilities industries (89.0 percent) and workers in public relation and administration (88.7 percent) were also highly likely to be offered health insurance (see Table 4).<sup>12</sup>

At the other end of the spectrum, the workers least likely to be offered health insurance were in the agriculture, mining, and construction industries (57.3 percent) and those in the repair and recreational service industries (58.3 percent).<sup>12</sup>

The probability of a health insurance offer and coverage was not uniform across industries. For example, workers in the manufacturing industry were the most likely to be offered and covered by health insurance, but educational

<sup>10</sup> Generally, everybody is covered by Medicare after age 64, and some have another type of health insurance besides Medicare. If some people have Medicaid and a private (e.g., employment-based) health insurance, this table puts them under "covered by private (e.g., employment-based) health insurance."

<sup>11</sup> "Companies" and "businesses" are used generically and include nonprofit organizations and government entities.

<sup>12</sup> These rates are not statistically different.



Table 3.  
**Characteristics of Health Insurance for Workers by Firm Size: 1997**

(Numbers in thousands)

Characteristic	All firms	Unknown	Size of firm				
			0 - 24	25 - 99	100 - 499	500 - 999	1,000+
<b>Currently employed</b> .....	<b>131,290</b>	<b>14,393</b>	<b>26,710</b>	<b>15,143</b>	<b>16,390</b>	<b>7,732</b>	<b>50,922</b>
<b>Percent</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Employer offers health insurance .....	97,721	3,881	13,927	11,845	14,408	7,081	46,578
Percent .....	74.4	27.0	52.1	78.2	87.9	91.6	91.5
Covered by the offer .....	69,845	2,650	9,029	8,077	10,421	5,123	34,544
Percent out of all employed .....	53.2	18.4	33.8	53.3	63.6	66.3	67.8
100 percent of the premium paid .....	23,956	1,654	3,981	3,081	3,427	1,640	10,173
Percent out of all covered .....	34.3	62.4	44.1	38.2	32.9	32.0	29.4
Partial premium paid .....	43,931	770	4,733	4,719	6,721	3,390	23,599
Percent out of all covered .....	62.9	29.1	52.4	58.4	64.5	66.2	68.3
No premium paid .....	1,957	227	315	276	274	93	773
Percent out of all covered .....	2.8	8.6	3.5	3.4	2.6	1.8	2.2
Plan is health maintenance organization ..	31,598	869	3,717	3,637	4,802	2,220	16,353
Percent out of all covered .....	45.2	43.6	40.4	45.1	45.8	43.3	47.4
There are several plans .....	34,403	708	2,616	2,509	4,437	2,430	21,704
Percent out of all covered .....	49.3	42.3	23.8	31.4	43.6	48.4	64.3
No health insurance offer .....	33,570	10,512	12,783	3,298	1,982	651	4,344
Percent out of all employed .....	25.6	73.0	47.9	21.8	12.1	8.4	8.5
Offers long-term care insurance .....	19,631	887	1,776	1,350	2,306	1,518	11,794
Percent out of all employed .....	15.0	22.9	12.8	11.4	16.0	21.4	25.3
Long-term coverage .....	11,980	649	1,112	926	1,475	877	6,941
Percent out of all employed .....	9.1	16.7	8.0	7.8	10.2	12.4	14.9
100 percent of the premium paid .....	4,791	333	512	470	506	386	2,582
Percent out of long-term covered .....	40.0	51.3	46.1	50.8	34.3	44.0	37.2
Partial premium paid .....	6,228	208	488	388	864	416	3,863
Percent out of long-term covered .....	52.0	32.1	43.9	41.9	58.6	47.5	55.7
No premium paid .....	962	108	111	68	104	75	496
Percent out of long-term covered .....	8.0	16.6	10.0	7.4	7.1	8.5	7.1
<b>Part-time workers</b> .....	<b>27,053</b>	<b>4,169</b>	<b>7,986</b>	<b>2,637</b>	<b>2,379</b>	<b>1,099</b>	<b>8,782</b>
Coverage to part-time .....	4,605	341	811	465	482	292	2,214
Percent out of all part-time .....	17.0	8.2	10.2	17.6	20.3	26.5	25.2
<b>Previous employment records</b> .....	<b>49,149</b>	<b>2,683</b>	<b>13,290</b>	<b>6,568</b>	<b>4,653</b>	<b>2,734</b>	<b>19,222</b>
<b>Percent</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Had health insurance offer .....	34,172	2,158	5,575	4,413	3,473	2,188	16,364
Percent .....	69.5	80.4	42.0	67.2	74.7	80.0	85.1
Covered on last day .....	28,643	1,776	4,355	3,410	2,803	1,851	14,448
Percent .....	58.3	66.2	32.8	51.9	60.3	67.7	75.2
Had health insurance after retirement ....	16,991	945	2,256	1,687	1,398	1,057	9,648
Percent .....	34.6	35.2	17.0	25.7	30.0	38.6	50.2
Still covered by that health insurance .....	13,231	662	1,693	1,276	1,015	782	7,803
Percent .....	26.9	24.7	12.7	19.4	21.8	28.6	40.6
Health insurance is retiree benefit .....	2,849	145	387	275	273	171	1,598
Percent .....	5.8	5.4	2.9	4.2	5.9	6.3	8.3

Note: Firms with zero employees are self-employed individuals paying themselves a salary.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

Table 4.  
**Employer-Based Offer and Coverage Rates by Industry and Occupation: 1997**

(Numbers in thousands)

Characteristic	All employed number	Offered by employer		Covered by the offer	
		Number	Percent	Number	Percent
<b>Total</b> .....	<b>131,290</b>	<b>97,721</b>	<b>74.4</b>	<b>69,845</b>	<b>71.5</b>
<b>Industry Groups</b>					
Unknown .....	13,732	3,662	26.7	2,486	67.9
Agriculture, mining, construction .....	9,208	5,277	57.3	3,714	70.4
Manufacturing .....	20,043	18,174	90.7	15,335	84.4
Transportation, communication, public utilities .....	8,078	7,188	89.0	5,854	81.4
Wholesale and retail trade .....	24,757	17,823	72.0	10,283	57.7
Finance, insurance, real estate, business .....	12,514	10,042	80.2	7,161	71.3
Repair and recreational services .....	7,174	4,182	58.3	2,482	59.4
Health and legal services .....	11,371	9,815	86.3	6,618	67.4
Educational services .....	10,769	9,907	92.0	7,018	70.8
Family and child care services .....	2,675	1,922	71.8	1,134	59.0
Public relations and administration .....	10,969	9,728	88.7	7,760	79.8
<b>Occupation Groups</b>					
Unknown .....	13,718	3,644	26.6	2,469	67.8
Managers, administrators .....	14,812	13,258	89.5	10,776	81.3
Architects, technicians, scientists, medical workers .....	11,280	10,466	92.8	8,209	78.4
Teachers, lawyers, artists, social scientists .....	10,199	8,944	87.7	6,642	74.3
Sales .....	13,094	9,999	76.4	6,172	61.7
General office workers .....	18,642	15,826	84.9	10,970	69.3
House, food, personal, protective service workers .....	16,525	10,456	63.3	5,691	54.4
Farm, construction, mining workers .....	6,673	3,705	55.5	2,662	71.8
Mechanics, repairers, precision workers .....	7,873	6,770	86.0	5,582	82.4
Operators, laborers, helpers .....	18,475	14,654	79.3	10,673	72.8

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

service industry workers, despite statistically the same likelihood of being offered health insurance, had only a modest coverage rate (70.8 percent). Similarly, even though agriculture, mining, and construction workers were the least likely to be offered health insurance, their coverage rate (70.4 percent) was not different from the coverage rate of 71.5 percent for all workers who worked for employers who offered health insurance.

By occupation, architects, technicians, scientists, and medical workers were the most likely to be offered health insurance (92.8 percent), followed by managers and administrators (89.5 percent). Farm,

construction, and mining workers were the least likely to be offered (55.5 percent) health insurance.

As was true for industries, the probabilities of receiving health insurance offer and coverage were not uniform across occupations. For example, mechanics, repairers, and precision workers were not the most likely to be offered health insurance, but they were one of the most likely to be covered if health insurance was offered. In comparison, farm, construction, and mining workers were the least likely to be offered health insurance, but if they were, their likelihood of coverage was statistically higher than two other occupation groups and equal to three more occupation groups.

## NONPARTICIPATION IN HEALTH INSURANCE

### Four in five who chose no coverage were covered through another source.

Among workers who were not covered by the health plan offered by their current employer, some chose not to participate and some could not participate. Among all nonparticipants, 46.4 percent chose not to be covered by their employer's plan, mainly because they had health insurance from a different source (79.7 percent of them had health insurance from another source). Another 37.1 percent were ineligible because they were not full-time, permanent workers. An estimated 15.4 percent were not insured by their employer's health

Table 5.

### Reasons for Not Participating in an Employer's Health Insurance Plan by Age, Sex, Race, and Hispanic Origin: 1997

(Numbers in thousands)

Characteristic	15 years and over		15-44 years		45-64 years		65 years and over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>All Nonparticipants</b> .....	<b>27,875</b>	<b>100.0</b>	<b>20,040</b>	<b>100.0</b>	<b>6,760</b>	<b>100.0</b>	<b>1,075</b>	<b>100.0</b>
Ineligible .....	1,338	37.1	8,254	41.2	1,629	24.1	456	42.4
In probationary period .....	3,452	33.4	3,042	36.9	404	24.8	6	1.2
Temporary .....	1,080	10.4	804	9.7	255	15.6	21	4.5
Part-time .....	5,513	53.3	4,229	51.2	895	55.0	389	85.3
Denied .....	317	1.1	196	1.0	104	1.5	17	1.6
By choice .....	12,931	46.4	8,630	43.1	3,861	57.1	441	41.0
Have health insurance .....	10,305	79.7	6,535	75.7	3,360	87.0	409	92.9
Too expensive .....	2,800	21.7	2,164	25.1	590	15.3	45	10.3
Other .....	4,289	15.4	2,961	14.8	1,166	17.3	162	15.0
<b>Male</b> .....	<b>12,183</b>	<b>100.0</b>	<b>8,861</b>	<b>100.0</b>	<b>2,736</b>	<b>100.0</b>	<b>586</b>	<b>100.0</b>
Ineligible .....	4,528	37.2	3,755	42.4	537	19.6	237	40.4
In probationary period .....	1,876	41.4	1,665	44.3	206	38.3	6	2.4
Temporary .....	510	11.3	406	10.8	86	16.1	17	7.3
Part-time .....	1,980	43.7	1,560	41.6	220	41.0	200	84.3
Denied .....	124	1.0	83	0.9	32	1.2	10	1.7
By choice .....	5,201	42.7	3,367	38.0	1,592	58.2	241	41.1
Have health insurance .....	3,738	71.9	2,176	64.6	1,336	83.9	226	93.7
Too expensive .....	1,479	28.4	1,145	34.0	312	19.6	22	9.2
Other .....	2,329	19.1	1,656	18.7	575	21.0	98	16.8
<b>Female</b> .....	<b>15,692</b>	<b>100.0</b>	<b>11,180</b>	<b>100.0</b>	<b>4,024</b>	<b>100.0</b>	<b>489</b>	<b>100.0</b>
Ineligible .....	5,810	37.0	4,499	40.2	1,092	27.1	219	44.7
In probationary period .....	1,576	27.1	1,378	30.6	198	18.1	-	0.0
Temporary .....	570	9.8	398	8.9	168	15.4	3	1.5
Part-time .....	3,533	60.8	2,669	59.3	675	61.9	189	86.4
Denied .....	193	1.2	113	1.0	73	1.8	7	1.4
By choice .....	7,731	49.3	5,262	47.1	2,269	56.4	200	40.9
Have health insurance .....	6,567	84.9	4,359	82.8	2,024	89.2	184	91.8
Too expensive .....	1,321	17.1	1,020	19.4	277	12.2	23	11.7
Other .....	1,959	12.5	1,305	11.7	591	14.7	63	12.9
<b>Non-Hispanic Whites</b> .....	<b>20,983</b>	<b>100.0</b>	<b>14,561</b>	<b>100.0</b>	<b>5,469</b>	<b>100.0</b>	<b>953</b>	<b>100.0</b>
Ineligible .....	7,484	35.7	5,783	39.7	1,290	23.6	411	43.1
In probationary period .....	2,308	30.8	1,980	34.2	323	25.0	6	1.4
Temporary .....	714	9.5	511	8.8	182	14.1	21	5.0
Part-time .....	4,231	56.5	3,148	54.4	729	56.5	353	86.0
Denied .....	244	1.2	148	1.0	80	1.5	17	1.7
By choice .....	10,073	48.0	6,506	44.7	3,178	58.1	390	40.9
Have health insurance .....	8,438	83.8	5,206	80.0	2,864	90.1	368	94.4
Too expensive .....	1,870	18.6	1,420	21.8	415	13.1	36	9.2
Other .....	3,182	15.2	2,125	14.6	922	16.9	136	14.3
<b>Black</b> .....	<b>3,369</b>	<b>100.0</b>	<b>2,682</b>	<b>100.0</b>	<b>619</b>	<b>100.0</b>	<b>68</b>	<b>100.0</b>
Ineligible .....	1,446	42.9	1,278	47.6	148	23.8	21	(B)
In probationary period .....	647	44.7	601	47.0	46	31.3	-	(B)
Temporary .....	157	10.9	128	10.0	29	19.5	-	(B)
Part-time .....	612	42.3	533	41.7	64	43.2	16	(B)
Denied .....	25	0.8	18	0.7	7	1.2	-	(B)
By choice .....	1,385	41.1	1,023	38.1	332	53.6	30	(B)
Have health insurance .....	888	64.1	636	62.2	228	68.8	23	(B)
Too expensive .....	455	32.9	349	34.1	100	30.0	7	(B)
Other .....	513	15.2	363	13.5	132	21.4	17	(B)
<b>Hispanic Origin<sup>1</sup></b> .....	<b>2,460</b>	<b>100.0</b>	<b>2,032</b>	<b>100.0</b>	<b>398</b>	<b>100.0</b>	<b>30</b>	<b>100.0</b>
Ineligible .....	991	40.3	850	41.8	129	32.5	11	(B)
In probationary period .....	353	35.6	341	40.1	12	9.6	-	(B)
Temporary .....	138	14.0	102	12.0	36	27.8	-	(B)
Part-time .....	473	47.8	399	46.9	68	52.4	7	(B)
Denied .....	26	1.1	24	1.2	2	0.6	-	(B)
By choice .....	1,022	41.6	824	40.5	182	45.8	16	(B)
Have health insurance .....	580	56.8	462	56.0	106	57.8	13	(B)
Too expensive .....	415	40.6	348	42.3	63	34.8	3	(B)
Other .....	421	17.1	335	16.5	84	21.1	3	(B)

- Represents zero or rounds to zero. B The base for the derived figure is less than 75,000.

<sup>1</sup>Because Hispanics may be of any race, data in this report for Hispanics overlap slightly with data for the Black population.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.

plan for other, unknown, reasons. Workers 45 to 64 were the least likely to be ineligible (24.1 percent) and the most likely to choose no coverage (57.1 percent) (see Table 5).

While some workers chose not to participate in health insurance plans from their current employer because of coverage from a different source, others did not participate because their employer's plan was too expensive. Overall, 1 in 5 people aged 15 years and older choosing not to participate in their employer's health plan did so because the plan was too expensive; the rate was one in every four for those aged 15 to 44.

The majority of workers in all age groups who were ineligible to participate were part-time workers. However, many other workers were ineligible because they were in a probationary period, which would typically be the case for recent hires. As Table 5 shows, workers 65 and over had the highest ineligibility rate because of part-time work status, and younger workers had higher ineligibility rates because of a probationary period. Nonparticipation because of denial was very low — around 1 percent.

**A greater proportion of women than men were ineligible due to part-time status.**

Among ineligible workers, 43.7 percent of men and 60.8 percent of women were ineligible because they worked part-time. However, the likelihood of being ineligible because of a probationary period was higher for men

(41.4 percent) than for women (27.1 percent).

**Women were less likely than men to cite cost as a reason for not participating.**

Women aged 15 to 44 years old were more likely to choose not to participate than men in the same age group, but this difference disappears in older age groups. Similarly, women aged 15 to 64 were less likely than men to choose not to participate because the plan was too expensive.

**Blacks were less likely than non-Hispanic Whites to be eligible.**

Compared with non-Hispanic Whites, Blacks in general were more likely to be ineligible for their employer's health plan. However, when compared by age, the difference disappeared after age 44. Non-Hispanic Whites and Hispanics were equally likely to be ineligible in each age group.

Overall, non-Hispanic Whites were the most likely to choose not to participate. When compared by age, 15 to 44 year old non-Hispanic Whites were more likely than Blacks, and 45 to 64 year old non-Hispanic Whites were more likely than Hispanics, of respective ages, to choose not to participate. However, the remaining by-choice nonparticipation rates in each age group were statistically the same across all the race and origin groups. Non-Hispanic Whites in all age groups, except for the oldest, were the least likely not to participate because the plan was too expensive; there is no significant difference between Blacks and

Hispanics who chose not to be covered because of expense.

**STATUS OF WORKERS NOT COVERED BY THEIR CURRENT EMPLOYER**

**Least educated employees were the least likely to be covered from another source.**

Among employees aged 15 to 64 who were not covered by their current employer, whether or not there was an offer, the probability of health insurance coverage from another source was positively related to the level of education. However, education did not play a role in health insurance coverage rates among workers aged 65 and over.

Among people who were 15 to 64 years, those who had not completed high school and worked for an employer who did not offer health insurance were the least likely to have health insurance from another source. An estimated 49.4 percent of those aged 15 to 44 and 55.1 percent of workers aged 45 to 64 in this group, did not have health insurance of any kind (see Table 6).<sup>13</sup> As education increased, so did the likelihood of being insured.

Among workers 15 to 44 not covered by their current employer's health insurance offer, 39.1 percent of those who had not completed high school and 35.4 percent of those who had graduated from high school or had some college were without any health insurance.<sup>13</sup>

<sup>13</sup> These rates are not statistically different.

Table 6.  
**Health Insurance of People Not Participating in Current Employer's Plan by Age and Education: 1997**

(Numbers in thousands)

Characteristic	15 years and over		15-44 years		45-64 years		65 years and over	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Did not complete high school.....</b>	<b>11,794</b>	<b>100.0</b>	<b>8,542</b>	<b>100.0</b>	<b>2,431</b>	<b>100.0</b>	<b>821</b>	<b>100.0</b>
<b>Not offered by employer.....</b>	<b>7,781</b>	<b>100.0</b>	<b>5,560</b>	<b>100.0</b>	<b>1,659</b>	<b>100.0</b>	<b>562</b>	<b>100.0</b>
Covered by previous employer.....	196	2.5	67	1.2	79	4.8	50	8.9
Covered by spouse's employer.....	915	11.8	575	10.3	321	19.4	19	3.4
Covered by other relative's employer...	1,281	16.5	1,262	22.7	10	0.6	9	1.6
Privately purchased or military-related..	819	10.5	343	6.2	197	11.9	278	49.5
Covered by public health insurance....	880	11.3	566	10.2	138	8.3	176	31.3
Has no health insurance.....	3,690	47.4	2,747	49.4	914	55.1	30	5.3
<b>Offered but not covered.....</b>	<b>4,013</b>	<b>100.0</b>	<b>2,982</b>	<b>100.0</b>	<b>772</b>	<b>100.0</b>	<b>259</b>	<b>100.0</b>
Covered by previous employer.....	199	5.0	69	2.3	76	9.8	54	20.8
Covered by spouse's employer.....	841	21.0	503	16.9	297	38.5	41	15.9
Covered by other relative's employer...	915	22.8	895	30.0	12	1.6	7	2.8
Privately purchased or military-related..	291	7.2	116	3.9	53	6.9	121	46.9
Covered by public health insurance....	304	7.6	233	7.8	37	4.8	35	13.6
Has no health insurance.....	1,462	36.4	1,166	39.1	296	38.4	-	0.0
<b>High school or some college.....</b>	<b>32,267</b>	<b>100.0</b>	<b>22,938</b>	<b>100.0</b>	<b>7,823</b>	<b>100.0</b>	<b>1,506</b>	<b>100.0</b>
<b>Not offered by employer.....</b>	<b>17,591</b>	<b>100.0</b>	<b>11,988</b>	<b>100.0</b>	<b>4,616</b>	<b>100.0</b>	<b>987</b>	<b>100.0</b>
Covered by previous employer.....	831	4.7	320	2.7	378	8.2	133	13.5
Covered by spouse's employer.....	4,919	28.0	2,963	24.7	1,862	40.3	95	9.6
Covered by other relative's employer...	1,456	8.3	1,422	11.9	30	0.7	4	0.4
Privately purchased or military-related..	2,903	16.5	1,476	12.3	892	19.3	535	54.2
Covered by public health insurance....	1,114	6.3	740	6.2	163	3.5	211	21.4
Has no health insurance.....	6,368	36.2	5,068	42.3	1,291	28.0	9	0.9
<b>Offered but not covered.....</b>	<b>14,676</b>	<b>100.0</b>	<b>10,950</b>	<b>100.0</b>	<b>3,207</b>	<b>100.0</b>	<b>518</b>	<b>100.0</b>
Covered by previous employer.....	889	6.1	395	3.6	388	12.1	106	20.4
Covered by spouse's employer.....	5,597	38.1	3,736	34.1	1,768	55.1	93	17.9
Covered by other relative's employer...	1,446	9.9	1,411	12.9	36	1.1	-	0.0
Privately purchased or military-related..	1,561	10.6	958	8.8	365	11.4	237	45.7
Covered by public health insurance....	707	4.8	573	5.2	58	1.8	76	14.6
Has no health insurance.....	4,477	30.5	3,878	35.4	592	18.4	7	1.4
<b>College graduates.....</b>	<b>17,385</b>	<b>100.0</b>	<b>10,863</b>	<b>100.0</b>	<b>5,612</b>	<b>100.0</b>	<b>910</b>	<b>100.0</b>
<b>Not offered by employer.....</b>	<b>8,198</b>	<b>100.0</b>	<b>4,755</b>	<b>100.0</b>	<b>2,831</b>	<b>100.0</b>	<b>613</b>	<b>100.0</b>
Covered by previous employer.....	516	6.3	178	3.7	238	8.4	100	16.4
Covered by spouse's employer.....	3,199	39.0	1,839	38.7	1,237	43.7	124	20.3
Covered by other relative's employer...	203	2.5	173	3.6	23	0.8	8	1.3
Privately purchased or military-related..	2,028	24.7	987	20.8	775	27.4	266	43.4
Covered by public health insurance....	298	3.6	145	3.1	47	1.7	105	17.1
Has no health insurance.....	1,955	23.8	1,433	30.1	512	18.1	10	1.6
<b>Offered but not covered.....</b>	<b>9,187</b>	<b>100.0</b>	<b>6,108</b>	<b>100.0</b>	<b>2,781</b>	<b>100.0</b>	<b>298</b>	<b>100.0</b>
Covered by previous employer.....	706	7.7	267	4.4	320	11.5	119	40.0
Covered by spouse's employer.....	5,561	60.5	3,691	60.4	1,838	66.1	32	10.7
Covered by other relative's employer...	198	2.2	179	2.9	16	0.6	4	1.2
Privately purchased or military-related..	1,127	12.3	722	11.8	319	11.5	86	29.0
Covered by public health insurance....	201	2.2	131	2.1	25	0.9	45	15.2
Has no health insurance.....	1,393	15.2	1,119	18.3	263	9.5	11	3.8

- Represents zero or rounds to zero.

Source: U.S. Census Bureau, 1996 Survey of Income and Program Participation, August-November 1997.



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For workers who did not have health insurance through their current employer, whether or not the employer offered a plan, those with more education were more likely to be covered by their spouse's health insurance. This source was most prevalent among workers aged 15 to 64, except for those who were aged 15 to 44 and had not completed high school. For that group, another relative's employer was the predominant source of health insurance. In 1997, 66.1 percent of 45-to-64-year old college graduates who were not covered by their own employer's plan were instead covered by their spouse's employer.

**Previous employer covered 40 percent of nonparticipating college graduates over 64.**

For workers aged 65 and over, privately purchased or military-related health insurance was the most important source of health insurance after Medicare.<sup>14</sup> However, in this age group, 40 percent of college graduates who were not covered by their current employer's offer had coverage through their previous employer, which is not statistically different from their coverage through privately purchased or military-related health insurance (29 percent).

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<sup>14</sup> Generally, everybody is covered by Medicare after age 65, and some also have another type of health insurance besides Medicare. If some people have Medicaid and a privately purchased or military-related health insurance, this table puts them under "covered by private-purchased or military-related health insurance."

## **SOURCE AND ACCURACY OF ESTIMATES**

### **Source of the Data**

The Survey of Program Participation (SIPP) collects information from the noninstitutionalized resident population living in the United States. Foreign visitors who work or attend school in this country and their families are eligible, whereas Armed Forces personnel living in military barracks and institutionalized persons, such as correctional facility inmates and nursing home residents, are not eligible to be in the survey. People aged 15 and over are eligible for interview. A parent or a guardian gives information about people less than 15 years of age.

This report is based on data collected in wave 5 of the 1996 panel of the SIPP 1996 — which included a topical module on employer-based health benefits along with the core files on health insurance, labor force, and employment. Since the Employer-Provided Health Benefits topical module records information from people ages 15 and over, the estimates in this report do not refer to people less than 15 years of age.

All estimates in this report have been weighted to represent the U.S. civilian noninstitutional population in August-November 1998. The information about age, sex, race, and Hispanic origin; health insurance status, labor market status, employment status and employer characteristics come from the SIPP core. Details of the employers' health insurance plan, coverage status, coverage types and characteristics come from the topical module.

### **Accuracy of the Estimates**

Statistics from surveys are subject to sampling and nonsampling error. The magnitude of the sampling error can be measured by calculating the standard errors of the estimates. Since all our estimates in this report are proportion estimates, we can calculate the standard error by using the formula for the standard errors of the sample proportions. However, we cannot measure the nonsampling error. Therefore, caution should be used when comparing data in different reports.

Nonsampling errors can come from several sources, such as inability to obtain all information, definitional difficulties and differences in the interpretation of the questions, and the inability or unwillingness of respondents to provide correct information. Additionally, inability or error in collecting, coding, and processing data and confusion of the reference periods also cause nonsampling errors.

In the SIPP, reference periods for variables vary. Most variables in the core refer to the last 4 months, while some variables in the core and topical module refer to a particular month or week or an entire year. Thus, combining different SIPP files might cause additional nonsampling error because different variables have different reference periods. Therefore, use caution when comparing this report with other reports. Detailed discussions of the existence and control of nonsampling errors in the SIPP can be found in the SIPP Quality Profile report.

All statements in this report have undergone statistical testing, and



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all comparisons are significant at the 90-percent confidence level. Further information on the source and accuracy of the estimates is at [<http://www.sipp.census.gov/sipp/source.htm>].

For more information about the SIPP, see

<http://www.sipp.census.gov>. To view the SIPP Quality Profile, go to

<http://www.sipp.census.gov/sipp/workpaper/wp230.pdf>

Contact the Demographic Statistical Methods Division for information on the source and accuracy of the data at:

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