

CRS Report for Congress

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Health Insurance Coverage: Characteristics of the Insured and Uninsured Populations in 2005

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Summary

In 2005, 46.6 million people in the United States had no health insurance — an increase of approximately 1.3 million people, compared to 2004. The percentage of people covered by job-based coverage has dropped annually since 2000. Whether the uninsurance rate rose in response depended on how much of the decrease in job-based coverage was offset by increases in public coverage. Unlike some previous years, public coverage rates did not increase significantly between 2004 and 2005, and the uninsurance rate rose significantly, to 15.9% in 2005 from 15.6% in 2004. Mostly because of Medicare, 1% of those 65 and older were uninsured in 2005; among the nonelderly, 17.9% were uninsured. More than half of the nonelderly uninsured were full-time, full-year workers or their family. Young adults were more likely to be uninsured than any other age group. More than one of three of those who claimed Hispanic ethnicity were uninsured, the highest of the racial/ethnic categories. This report examines characteristics of insured and uninsured people. It will be updated in fall of 2007.

Health Insurance and Population Characteristics

Age. Table 1 provides a breakdown of health insurance coverage by type of insurance and age. In 2005, compared to other age groups, those under age 5 had the highest rates of coverage in Medicaid, the State Children's Health Insurance Program (SCHIP), or some other program for low-income individuals (32%). Young adults ages 19 to 24 were the most likely to have gone without health insurance in 2005. While most in this age group (53%) were covered under an employment-based plan, 33% had no health insurance. Young adults are often too old to be covered as dependents on their parents' policies and, as entry-level workers, do not have strong ties to the work force. Some may also feel that they are in good health and choose to remain uninsured, spending their money on other items. Of those 65 and over, 95% were covered by Medicare, and 1% were uninsured. The remainder of this report focuses on the nonelderly population.

Table 1. Health Insurance Coverage by Type of Insurance and Age, 2005

Age	Population (millions)	Type of Insurance ^a					Uninsured	
		Employment Based ^b	Private Nongroup	Medicare	Medicaid or Other Public ^c	Military/Veterans Coverage	Percent	Millions
Under 5	20.4	57.0%	4.8%	0.9%	31.9%	3.3%	10.8%	2.2
5-18	57.5	63.5%	5.6%	0.7%	24.1%	3.0%	11.9%	6.8
19-24	24.0	53.1%	5.6%	0.7%	11.2%	3.1%	32.6%	7.8
25-34	39.5	60.7%	5.7%	1.4%	8.7%	2.7%	26.4%	10.4
35-54	85.9	70.3%	7.1%	2.9%	6.9%	2.9%	17.0%	14.6
55-61	23.3	69.1%	9.4%	7.0%	7.3%	5.9%	13.5%	3.2
62-64	7.7	61.6%	12.3%	14.0%	8.2%	7.1%	13.8%	1.1
65+	35.5	36.2%	27.2%	95.0%	9.6%	7.4%	1.3%	0.5
Total	293.8	60.9%	9.1%	13.7%	13.0%	3.8%	15.9%	46.6

Source: CRS analysis of data from the March 2006 Current Population Survey (CPS).

- People may have more than one source of coverage; percentages may total to more than 100.
- Group health insurance through current or former employer or union. Excludes military and veterans coverage.
- Nonmilitary. Includes State Children's Health Insurance Program (SCHIP) and other state programs for low-income individuals.

Other Demographic Characteristics. Table 2 shows the rate of health insurance coverage by type of insurance and selected demographic characteristics — race/ethnicity, family type, region, poverty level and citizenship — *for people under age 65*. In 2005, whites were least likely to be uninsured (13%), while Hispanics were most likely (34%). The rate of employment-based health coverage was highest among whites (72%), and the rate of public coverage was highest among blacks (27%).¹

People residing in two-parent families were most likely to have employment-based health insurance (73%) and least likely to be uninsured (13%). People in a family headed by a single mother were most likely to have public coverage (40%), compared to other family types, while people in a family headed by a single father were most likely to be uninsured (26%). Although people in single-father families were more likely to have employment-sponsored health insurance than those in single-mother families, that difference was eclipsed by the higher rates of public coverage in single-mother families.

People were less likely to be uninsured if they lived in the Midwest (14%) or the Northeast (14%) than if they lived in the South (21%) or West (20%). Employment-based health insurance covered 71% of people in the Midwest and 69% in the Northeast, compared to 61% in the South and 60% in the West.

¹“Public coverage” includes Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP) and any other health insurance program for low-income individuals, but excludes military and veterans coverage. Hispanics may be of any race. In this report, whites, blacks and Asians are those who are non-Hispanic and report only one race. Among non-Hispanics, individuals who report any other single race (e.g., American Indian) or multiple races are categorized as “other.”

Among individuals with incomes at least two times the poverty level, 12% went without health insurance compared to 34% of the poor (i.e., those with incomes below the poverty level). Only 19% of the poor received health coverage through employment, and 47% had public coverage. Of people with incomes at least two times the poverty level, 79% were covered through an employer, and only 6% had public coverage.

Non-citizens were more likely to be uninsured than people born with U.S. citizenship (i.e., “native”) — 45% versus 15%, respectively. Non-citizens accounted for 8% of the population under 65 but were 20% of the uninsured. About 41% of non-citizens were covered through employment, compared to 67% of native citizens.

Table 2. Health Insurance Coverage by Type of Insurance and Demographic Characteristics for People Under Age 65, 2005

	Population (millions)	Type of Insurance ^a				
		Employment Based ^b	Public ^c	Other ^d	Uninsured	
					Percent	Millions
Race/ethnicity						
White	167.2	72.1%	10.9%	11.0%	13.1%	22.0
Black	32.7	52.1%	27.3%	7.8%	20.8%	6.8
Hispanic	40.9	42.4%	22.4%	5.8%	34.3%	14.0
Asian	11.3	66.7%	9.1%	11.3%	19.2%	2.2
Other	6.3	57.0%	22.3%	10.7%	19.1%	1.2
Family type						
Two parents	113.5	72.5%	12.1%	9.7%	12.8%	14.5
Single dad with children	8.1	51.4%	21.5%	7.8%	25.9%	2.1
Single mom with children	31.7	41.4%	39.8%	5.5%	20.4%	6.5
No children	105.0	63.4%	10.1%	11.2%	22.0%	23.0
Region						
Northeast	47.1	69.4%	15.8%	7.1%	14.0%	6.6
Midwest	57.3	70.7%	13.9%	8.5%	13.5%	7.7
South	93.3	60.6%	15.1%	10.8%	21.1%	19.6
West	60.7	60.0%	15.2%	11.5%	20.1%	12.2
Income-to-poverty ratio^e						
Less than 100%	33.3	18.6%	46.6%	6.7%	34.0%	11.3
100%-149%	21.3	34.0%	33.0%	8.0%	31.9%	6.8
150%-199%	23.1	48.3%	21.4%	9.6%	28.3%	6.5
200%+	179.8	78.6%	6.0%	10.6%	11.8%	21.3
Citizenship						
Native	226.6	66.5%	15.6%	10.0%	15.2%	34.4
Naturalized	11.1	64.4%	9.0%	10.4%	21.7%	2.4
Non-Citizens	20.6	40.5%	11.8%	6.3%	45.3%	9.4
Total	258.3	64.3%	15.0%	9.8%	17.9%	46.1

Source: CRS analysis of data from the March 2006 CPS.

- People may have more than one source of coverage; percentages may total to more than 100.
- Group health insurance through current or former employer or union.
- Includes Medicare, Medicaid, the State Children’s Health Insurance Program (SCHIP), and other state programs for low-income individuals. Excludes military and veterans’ coverage.
- Private nongroup health insurance, military or veterans’ coverage.
- In 2005, the poverty threshold for a family with two adults and two children was \$19,806. Approximately 700,000 children are excluded from CPS-based poverty analyses because they are living with a family to which they are unrelated. These are usually foster children.

Employment Characteristics. For the fifth year in a row, the prevalence of job-related health insurance fell, to 64% among the nonelderly in 2005. The rate of coverage from individuals' *own* job did not change, but coverage from a family member's job dropped significantly between 2004 and 2005. **Table 3** shows the rate of health insurance coverage by the employment characteristics of the primary worker in the family. In 2005, only 9% of workers in large firms (1,000 or more employees) and their dependents were uninsured, compared to 35% in small firms (less than 10 employees). People who reported working in small firms and their dependents accounted for 15% of the under-65 population but 28% of the uninsured. Insurance coverage varied according to industry, as well. The category of agriculture, forestry, fishing, and hunting had the highest proportion of uninsured workers and dependents (35%). Four percent of those associated with employment in public administration were uninsured, and none of those associated with employment in the armed forces was uninsured.

Table 3. Health Insurance Coverage by Employment Characteristics^a for People Under Age 65, 2005

	Population (millions)	Type of Insurance ^b				
		From Own Job ^c	From Other's Job ^c	Other ^d	Uninsured	
					Percent	Millions
<i>People in families with a worker^e</i>	220.3	35.5%	36.4%	19.6%	16.9%	37.3
Firm size^{a, e}						
Under 10	37.9	19.4%	18.6%	33.0%	34.6%	13.1
10-24	19.3	29.3%	27.0%	22.0%	27.5%	5.3
25-99	28.0	36.1%	33.7%	18.8%	19.1%	5.4
100-499	30.1	39.4%	41.1%	15.4%	12.8%	3.9
500-999	13.1	40.8%	44.4%	13.4%	10.4%	1.4
1,000 +	91.9	41.3%	43.8%	16.1%	9.0%	8.3
Industry^{a, e}						
Agriculture, forestry, fishing, and hunting	2.9	15.5%	20.1%	33.1%	35.0%	1.0
Arts, entertainment, recreation, food services, accomm.	14.4	25.0%	19.0%	27.7%	34.2%	4.9
Construction	20.1	23.8%	27.5%	21.3%	33.0%	6.6
Other services	8.9	25.6%	24.1%	27.6%	28.8%	2.6
Wholesale, retail trade	29.8	35.6%	32.6%	20.5%	19.0%	5.7
Professional, management, administrative services	21.3	33.4%	34.1%	21.0%	19.3%	4.1
Transportation, utilities	13.2	35.9%	41.5%	16.5%	14.5%	1.9
Manufacturing	30.9	38.9%	44.9%	13.4%	11.5%	3.6
Mining	1.4	35.1%	48.7%	12.1%	11.5%	0.2
Educational, health, and social services	42.3	42.3%	39.1%	18.4%	10.0%	4.2
Finance, insurance, real estate, rental, leasing	15.6	39.5%	42.0%	16.7%	9.7%	1.5
Information	5.6	42.3%	44.7%	12.1%	8.6%	0.5
Public administration	12.1	45.7%	49.4%	12.8%	4.0%	0.5
Armed forces, military	1.8	18.0%	32.0%	99.9%	0.0%	0.0

	Population (millions)	Type of Insurance ^b				
		From Own Job ^c	From Other's Job ^c	Other ^d	Uninsured	
					Percent	Millions
Labor force attachment^{a, e}						
Full time, full year	177.0	37.5%	39.8%	16.4%	14.6%	25.8
Full time, part year	23.7	30.5%	24.7%	29.2%	25.3%	6.0
Part time, full year	11.6	26.7%	23.3%	32.1%	26.1%	3.0
Part time, part year	8.0	20.2%	13.4%	44.1%	30.5%	2.4
<i>People in families with no worker or policy- holder does not work^e</i>	30.9	13.0% ^f	9.3%	56.0%	28.7%	8.9
<i>People with coverage outside the home</i>	7.1	7.6%	100.0%	19.3%	0.0%	0.0
Total	258.3	32.1%	34.9%	24.0%	17.9%	46.1

Source: CRS analysis of data from the March 2006 CPS.

- Firm size, industry and labor force attachment reflect the employment characteristics of the primary worker in families where someone is working. Those characteristics were applied to those individuals' "dependents" — their spouse and children.
- People may have more than one source of coverage; percentages may total to more than 100.
- Group health insurance through current or former employer or union. Excludes military and veterans coverage.
- Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP), and other government coverage, nongroup health insurance, and military and veterans coverage.
- Excluding those persons with health insurance coverage from outside the home.
- Nearly 90% of these policyholders (i.e., those who did not work during the year but had employment-based coverage in their name) were retirees, were ill or disabled, or were at home with the family and probably received coverage through their former employer.

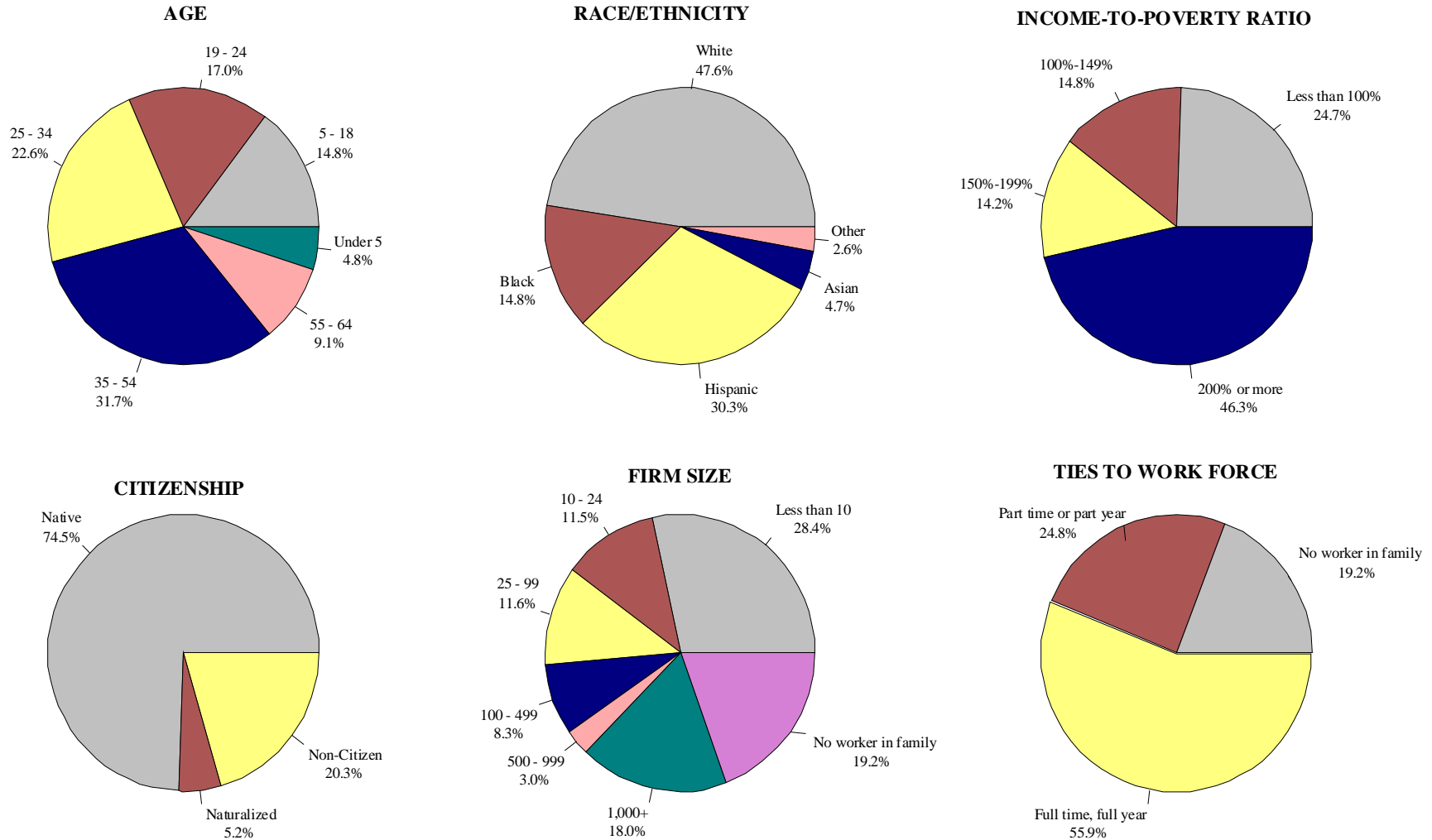
Characteristics of the Uninsured Population Under Age 65

People who lack health insurance differ from the population as a whole: they are more likely to be young adults, poor, Hispanic, or employees in small firms. **Figure 1** illustrates selected characteristics of those under age 65 who were uninsured for 2005. Approximately 17% of the uninsured were 19 to 24 years old, even though this age group represents only 9% of the under 65 population.

Although Hispanics were more likely to be uninsured than any other racial or ethnic group, they made up 30% of the uninsured. Whites (non-Hispanics who report being only white) were the most numerous racial or ethnic group among the uninsured. More than half (56%) of the uninsured were full time, full year workers or their spouses and children. Approximately 19% had no attachment to the labor force.

Three-quarters of the uninsured were above the poverty level. Even though the poor accounted for only 13% of the under 65 population, they represented 25% of the uninsured. For the fifth year in a row, more than a quarter of the uninsured were not native-born citizens (that is, they were either not citizens or were naturalized citizens). To show money income among the uninsured, the Census Bureau provides estimates of household income (everyone in the household) and family income (all related people in the household). Many health policy analysts create "health insurance units" (adults linked only to a spouse and dependents in the household) for money income among the uninsured. By this measure, 59.1% of the uninsured had income below \$25,000 in 2005; 25.4% with income between \$25,000 and \$49,999; 8.4% with income between \$50,000 and \$74,999; 3.2% with income between \$75,000 and \$99,999; and 3.9% with income of \$100,000 or more.

Figure 1. Characteristics of the Uninsured U.S. Population Under Age 65, 2005 (46.1 million)



Source: Congressional Research Service analysis of data from the March 2006 Current Population Survey.

Note: Totals may not sum to 100 percent due to rounding. Hispanics may be of any race. In this chart, whites, blacks and Asians are those who are non-Hispanic and report only one race. Among non-Hispanics, individuals who report any other single race (e.g., American Indian) or multiple races are categorized as “other.” “Firm size” and “ties to work force” reflect the employment characteristics of the primary worker in families where someone is working. Those characteristics were applied to those individuals’ “dependents” — their spouses and children. Employed policyholders of private coverage are first to be assigned as primary workers. For those in families without private coverage, persons’ employment characteristics are those of the family head or, if the head is not employed and the spouse is, the spouse.