



CRS Report for Congress

Health Insurance Coverage of Children, 2007

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Summary

Based on data from the Census Bureau's Current Population Survey (CPS), 8.9 million children under age 19 were uninsured in 2007 (11.3%), a statistically significant decline compared to 9.4 million in 2006 (12.1%). This decline occurred because of a significant increase in public coverage, from 26.8% in 2006 to 27.9% in 2007. The percentage of children with employment-based health insurance (61%) was unchanged.

Only 7.5% of non-Hispanic white children were uninsured in 2007, compared with 20.7% of Hispanic children. Compared to 2006, black and Hispanic children experienced significant increases in 2007 in rates of public coverage, resulting in a drop in their uninsurance rates. Children whose parents worked in a small firm were much more likely to be uninsured (22% in firms with less than 10 workers) than those whose parents worked in a large firm (5% in firms with 1,000 or more workers). Among the 8.9 million uninsured children in 2007, 60% lived in a household with a parent who worked full-time for the entire year.

Health Insurance Coverage by Population Characteristics

Demographic and Family Characteristics. As shown in **Table 1**, children¹ aged 13 to 18 had higher rates of employment-based coverage than younger children, but were more likely to be uninsured because they were less likely to have public coverage. Uninsured rates were highest among Hispanic children, who had the lowest employment-based coverage rates of any race/ethnic group. Children who were black or Hispanic were more than twice as likely to have public coverage as white or Asian children. Children in the South and West were more likely to be uninsured than children in the Northeast and Midwest.

¹ Census Bureau estimates for children generally refer to individuals under age 18. Most estimates in this report refer to individuals under age 19, which corresponds with the cutoff used for Medicaid poverty-related child eligibility and the State Children's Health Insurance Program (SCHIP) allotment formula.

Table 1. Health Insurance Coverage and Demographic and Family Characteristics of Children Under Age 19, 2007

	Population (thousands)	Type of insurance ^a					
		Employment-based ^b	Private nongroup	Public ^c	Military or veterans ^c	Uninsured	
						Percent	Thousands
All children under age 19	78,651	60.7%	5.3%	27.9% +	2.8%	11.3% -	8,872 -
Age							
Under 6	24,944	56.1%	4.6%	34.0%	2.8%	10.5%	2,618
6 to 12	27,855	61.7%	5.6%	27.7%	2.7%	10.4%	2,903
13 to 18	25,852	64.0%	5.6%	22.4%	3.0%	13.0%	3,351
Race/ethnicity							
White	44,736	72.4%	6.4%	18.8%	3.2%	7.5%	3,353
Black	11,574	46.8%	3.3%	43.7%	3.2%	12.8%	1,476
Hispanic	16,464	38.4%	3.1%	42.2%	1.5%	20.7%	3,407
Asian	3,094	65.7%	8.1%	19.2%	1.8%	11.9%	367
Other	2,784	56.5%	4.9%	34.2%	5.5%	9.7%	269
Region							
Northeast	13,251	66.6%	4.1%	26.7%	0.9%	8.5%	1,127
Midwest	17,168	67.5%	4.9%	27.0%	2.0%	7.2%	1,242
South	29,265	55.4%	5.0%	29.1%	4.2%	14.8%	4,326
West	18,968	58.5%	7.0%	27.9%	2.9%	11.5%	2,177
Children not living with parent	3,473	27.4%	2.4%	44.3% +	1.1%	30.1%	1,047
Children living with parent^d	75,178	62.2%	5.4%	27.2% +	2.9%	10.4% -	7,826 -
Family type							
Two parents	52,482	70.9%	6.2%	18.5%	3.4%	8.9%	4,692
Single dad	4,489	51.7%	4.6%	32.5%	2.4%	17.0%	764
Single mom	18,207	39.7%	3.4%	50.9%	1.6%	13.0%	2,370
Family income-to-poverty ratio							
Under 100%	12,871	15.3%	2.7%	69.2%	1.4%	17.3%	2,223
100% to 149%	8,320	33.7%	3.9%	52.5%	2.0%	17.5%	1,459
150% to 199%	7,339	53.5%	4.3%	33.2%	3.5%	15.2%	1,119
200% to 299%	13,591	69.8%	5.4%	19.4%	3.9%	11.1%	1,506
300%+	33,057	86.5%	7.1%	6.3%	3.2%	4.6%	1,518
Parents' health insurance coverage							
Employment-based	49,817	91.4%	3.3%	11.4%	2.5%	2.2%	1,077
Private nongroup	2,961	6.7%	81.2%	15.4%	1.6%	3.0%	89
Public	8,354	3.2%	0.1%	96.4%	1.1%	2.9%	246
Military or veterans ^c	788	5.7%	0.2%	6.5%	98.7%	0.3%	3
Uninsured	13,258	5.7%	0.1%	46.8%	0.4%	48.4%	6,412

Source: Congressional Research Service analysis of data from the March 2008 Current Population Survey.

Note: The symbol “+” denotes a statistically significant increase over last year, with “-” denoting a statistically significant decrease.

- People may have more than one source of coverage; percentages may total to more than 100.
- Includes group health insurance through current or former employer or union and all coverage from outside the home (Census Bureau figures are slightly lower because of the exclusion of certain people with outside coverage). Excludes military and veterans' coverage.
- Includes Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP), and other state programs for low-income individuals. Excludes military and veterans' coverage.
- Includes stepparent.

Insurance coverage among children under age 19 also differs by family structure. As shown in **Table 1**, 30% of children not living with a parent lacked health insurance, compared with 10% of children living with at least one parent. Among children living with a parent, family structure still had an impact on health insurance coverage. Nine percent of children living in a two-parent family were uninsured in 2007. Although children living with a single father were more likely to have employment-based health insurance than those living with a single mother, children living with a single father were more likely to be uninsured because they were less likely to have public coverage.

Among children in poverty,² 15% had employment-based coverage, 69% had Medicaid or other public coverage, and 17% were uninsured. As the family income-to-poverty ratio increases, the likelihood of children having employment-based coverage increases and the likelihood of having public coverage or being uninsured tends to decrease. Among children in families with family incomes at least three times the poverty threshold, 87% had job-based coverage and 5% were uninsured.

A child's source of health insurance is strongly associated with parents' coverage. Approximately 91% of children who lived with a parent who had employment-based coverage in 2007 also had employment-based coverage.³ Likewise, 96% of children who lived with a parent who had Medicaid or other public coverage also had public coverage. However, among children who lived with an uninsured parent, 48% were uninsured — but 47% had Medicaid or other public coverage, a significant increase over 2006.

Parents' Employment Characteristics. As shown in **Table 2**, among children under age 19 who lived with a parent who worked full-time for the entire year, 72.1% had job-based coverage, which was not significantly different from 2006. However, there was a significant increase in public coverage, to 18.3%. As a result, the uninsurance rate among children with a parent who worked full-time for the entire year fell significantly, from 10.0% in 2006 to 9.1% in 2007. Among children who lived with at least one parent who worked, but only part-time or part-year, 34.2% had job-based coverage, a significant decline compared to 2006. Apparent increases in private nongroup and public coverage (though not statistically significant) left the uninsurance rate for these children unchanged between 2006 and 2007, at 14.3%. In cases where no parent worked, 71.0% of children had public coverage and 16.6% were uninsured.

Employment-based health insurance coverage is less common for workers in small firms than in larger ones. Job-based coverage rates were lowest and uninsured rates were highest in 2007 among children living with a parent where the primary worker was employed by a firm with less than 10 employees. Health insurance coverage rates also varied substantially by industry. Less than half of children living with a parent where the

² Among children living with at least one parent. In 2007, the poverty threshold (which is used mainly for statistical purposes and differs slightly from the poverty guideline used for program eligibility and other administrative purposes) for a family with two adults and two children was \$21,027.

³ When a parent had more than one source of coverage, the following hierarchy was used to determine "primary" coverage: employment-based, private nongroup, Medicaid/Medicare, CHAMPUS or VA, and other public. Then the parent with the "highest" coverage was used to classify both parents' insurance coverage. Thus, if one parent had employment-based coverage and the other had private insurance, the parents' coverage was classified as employment-based.

primary worker was in one of four industries (agriculture, construction, other services, and leisure and hospitality) had employment-based coverage. However, more than three-quarters of children living with a parent where the primary worker was in one of five (six, including the armed forces) industries (financial activities, information, manufacturing, mining, public administration) had such coverage.

Table 2. Health Insurance Coverage and Parents' Employment Characteristics of Children Under Age 19 Living with at Least One Parent, 2007

	Population (thousands)	Type of insurance ^a					
		Employment- based ^b	Private nongroup	Public ^c	Military or veterans'	Uninsured	
						Percent	Thousands
Children under age 19 living with parent	75,178	62.2%	5.4%	27.2% +	2.9%	10.4% -	7,826 -
Custodial parents' work status							
At least one parent worked full-time and full-year	58,799	72.1%	5.5%	18.3%	3.1%	9.1%	5,354
None full-time and full-year, at least one part-time or part-year	10,771	34.2%	6.0%	52.9%	2.2%	14.3%	1,541
Did not work ^d	5,608	12.4%	3.3%	71.0%	2.0%	16.6%	931
Firm size							
Under 10	11,505	31.5%	14.4%	36.6%	1.6%	21.9%	2,524
10-24	5,568	46.7%	6.3%	32.9%	1.5%	17.9%	999
25-99	8,184	61.5%	5.3%	28.3%	1.8%	11.3%	924
100-499	9,366	71.9%	3.7%	21.7%	1.7%	8.2%	770
500-999	3,828	75.2%	2.9%	21.3%	1.3%	6.7%	256
1,000+	27,650	79.1%	2.9%	17.2%	4.5%	5.1%	1,423
Not applicable ^e	9,077	44.5%	4.2%	49.3%	3.4%	10.3%	931
Industry							
Agriculture, forestry	931	32.3%	12.9%	34.7%	1.0%	23.9%	223
Armed forces	691	44.2%	2.2%	1.4%	100.0%	0.0%	0
Construction	6,240	48.2%	7.5%	31.4%	1.9%	18.9%	1,176
Education, health services	12,963	70.5%	5.1%	23.3%	2.0%	6.8%	887
Financial activities	4,745	76.1%	9.2%	13.2%	1.4%	6.3%	299
Information	1,605	83.5%	4.7%	12.4%	1.0%	5.3%	84
Leisure and hospitality	4,187	37.6%	4.8%	45.4%	1.0%	18.3%	764
Manufacturing	9,113	76.5%	2.5%	19.2%	0.9%	7.5%	683
Mining	485	78.7%	2.5%	17.0%	2.2%	7.1%	35
Not applicable ^e	9,077	44.5%	4.2%	49.3%	3.4%	10.3%	931
Other services	2,471	39.8%	8.0%	38.5%	1.9%	17.3%	427
Professional services	6,641	60.3%	7.3%	24.5%	2.5%	12.2%	812
Public administration	3,639	88.9%	3.4%	10.2%	4.2%	2.8%	100
Transportation, utilities	4,188	70.7%	4.5%	18.4%	2.3%	11.8%	494
Wholesale and retail trade	8,202	60.0%	5.9%	29.0%	1.5%	11.1%	910

Source: Congressional Research Service analysis of data from the March 2008 Current Population Survey.

Note: The symbol "+" denotes a statistically significant increase over last year, with "-" denoting a statistically significant decrease.

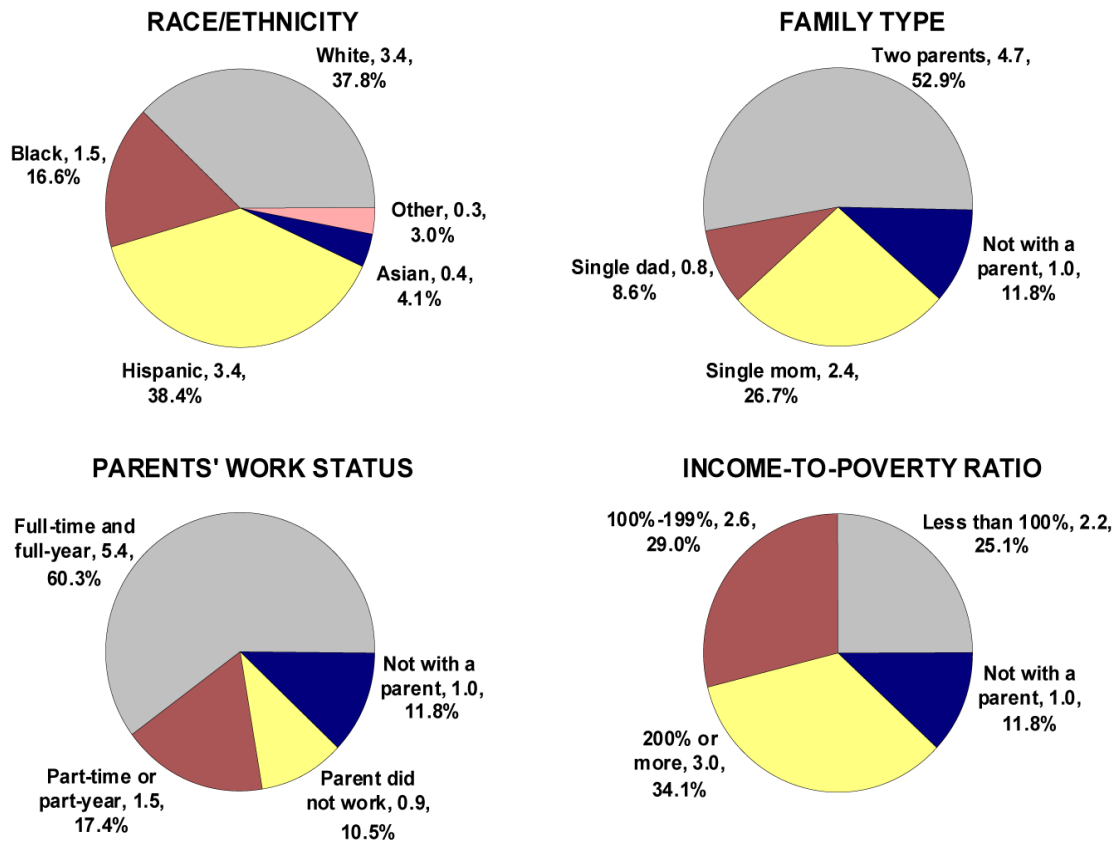
- People may have more than one source of coverage; percentages may total to more than 100.
- Includes group health insurance through current or former employer or union and all coverage from outside the home (Census Bureau figures are slightly lower because of the exclusion of certain people with outside coverage). Excludes military and veterans' coverage.

- c. Includes Medicare, Medicaid, the State Children’s Health Insurance Program (SCHIP), and other state programs for low-income individuals. Excludes military and veterans’ coverage.
- d. Child’s employment-based coverage may be through a parent’s former employer, from someone outside the household (e.g., noncustodial parent), or in the child’s name (e.g., from his or her own job).
- e. No firm-size or industry information is provided because the parent did not work or because coverage is from outside the household or in the child’s name.

Characteristics of Uninsured Children

In the preceding discussion, the *percentages* of various groups of children were compared in terms of their health insurance. For example, 7.5% of non-Hispanic white children were uninsured in 2007, compared with 20.7% of Hispanic children. However, because the United States has many more non-Hispanic white children (45 million) than Hispanic children (16 million), the *number* of uninsured in each group is similar, as shown in **Figure 1**.

Figure 1. Characteristics of Uninsured Children Under Age 19, 2007 (8.9 million)



Source: Congressional Research Service analysis of data from the March 2008 Current Population Survey.

Note: Numbers in millions. Totals may not sum to 100% due to rounding. “Full-time and full-year” means at least one parent living with the child was a full-time, full-year worker. “Part-time or part-year” means that at least one parent living with the child worked, but not full-time and full-year. 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.”

This apparent paradox — that the group least likely to be uninsured makes up a large portion of the uninsured — exists when looking at other characteristics as well. Children who lived with at least one parent who worked full-time for the entire year were least likely to be uninsured (9%) compared with other children, but still composed 60% of all uninsured children in 2007. Similarly, children in two-parent families were least likely to be uninsured (9%) compared with others, yet made up more than half of the population of uninsured children. This raises difficult issues for policy makers who might wish to help uninsured children. For example, should proposals be targeted at those in two-parent families because they are more numerous, or at other uninsured children because they are more likely to be uninsured?

Health Insurance Coverage of Children Over Time

Health insurance estimates presented in this report thus far have referred to children *under age 19*. The remainder of this report refers to children *under age 18*, for whom historical estimates are more readily available.⁴

Between 1999 and 2007, the number of children under age 18 with employment-based health insurance fell by 2.9 million, while public coverage increased by 6.2 million. These changes, combined with overall child population growth over the period of 2.1 million, led to a smaller but still statistically significant drop in the number of uninsured children (884,000) between 1999 and 2007.

Looking at the percentage changes in coverage over the 1999 to 2007 period, children under 18 experienced a 5.7 percentage point decline in employment-based coverage, from 65.2% in 1999 to 59.5% in 2007. Private nongroup coverage also declined significantly, from 5.7% in 1999 to 5.3% in 2007. However, public coverage increased by 7.8 percentage points, from 23.2% in 1999 to 31.0% in 2007, leading to a decline in the percentage of uninsured children of 1.5 percentage points, from 12.5% in 1999 to 11.0% in 2007.⁵

⁴ Historical tables for 1999 forward are available at [<http://www.census.gov/hhes/www/hlthins/historic/index.html>]. The analysis in this section is based on the table at [<http://www.census.gov/hhes/www/hlthins/historic/hihist5.xls>].

⁵ CPS health insurance estimates for years prior to 1999 are available but are not directly comparable to those for later years because of a questionnaire change that increased the number and percentage of people covered by health insurance beginning in 1999, as well as the absence of revised data for years prior to 1996 that would correct a Census Bureau programming error discovered in 2007. Based on unrevised estimates produced using the old questionnaire, the number and percentage of uninsured children under age 18 showed year-to-year fluctuations but grew significantly between 1987 and 1998. As employment-based coverage rates declined in the late 1980s and early 1990s, public coverage rates rose. As employment-based coverage rates rebounded in the mid-1990s, public coverage rates declined. Old historical tables are available at [http://www.census.gov/hhes/www/hlthins/historic/index_old.html].