

## *Relative Prevalence of Parents and Non-Parents Among the Uninsured \**

*By Ed Neuschler and Rick Curtis  
Survey Data Analysis by Mark Merlis  
Institute for Health Policy Solutions*

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### **A. Introduction and Purpose**

Of the approximately 31.4 million adults under age 65 in the United States who were uninsured throughout 1999, 9.6 million had own-children under age 19 living with them and 21.8 million did not. For purposes of this analysis, the former are called “parents” and the latter “non-parents” or “childless adults” (even though they may have offspring who are age 19 or older at home, or younger children who do not reside with them). In California in 1999, there were 1.73 million uninsured parents and 3.25 million uninsured non-parents.

After extending coverage to children in working families through State Children’s Health Insurance Programs (SCHIP), California and many other States have turned their attention to expanding coverage for the parents of those children. And a few States, such as Delaware, Minnesota, Oregon, Tennessee and, more recently, New Jersey, have included childless adults in their expanded public programs. Coverage for childless adults is a concern because non-parents are more likely than parents to be uninsured (21.7% v. 14.8% nationally, 26.7% v. 20.6% in California).

Some policy makers are particularly interested in using work-based venues for expanding coverage to low-wage workers (and their dependents) whose employers do not now offer health benefits. Doing so will require significant public subsidies (either direct subsidies or tax credits), since employers with a high proportion of low-wage workers generally do not, and cannot afford to, contribute very much toward coverage for their workers. Similarly, even when health coverage is offered by their employer, low-wage workers rarely accept it if they have to pay more than a small amount out of their paycheck.

But the availability of group coverage through the workplace is contingent on being able to reach the “whole group”—i.e., to meet carrier participation standards. Therefore, using the workplace as the venue for extending coverage will require subsidies for childless workers as well as for working parents, in order to induce enough of the workers to participate. In this context, the relative numbers, and relative ages, of uninsured parents and non-parents in the target income

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range become highly relevant, especially since federal matching funds are not generally available for childless workers.

In this paper, we briefly explore the distribution by parental status and age of uninsured adults in California and nationally, focusing on those in the income ranges under consideration for public program expansion.

## **B. Data and Methods**

Our analysis uses the Census Bureau's March 2000 Current Population Survey (CPS), which measures income and insurance status during 1999. Family income includes all income received by every member of the "family insurance unit (FIU)," which includes all family members living together in the same household who could be covered under a single private insurance policy—typically, parents and their children under age 19. Family income is expressed as a percent of the official federal poverty guidelines (FPG) issued and revised annually by the U.S. Department of Health and Human Services, based on the number of people in the FIU.<sup>1</sup>

"Parents" are individuals aged 19-64 who have children under age 19 who live with them in the same household. In order to maintain sufficient sample size, especially for the California analysis, parents were grouped into only three age ranges: 19-29 years, 30-44 and 45-64.

## **C. Results**

Both nationally and in California, non-parents are more likely than parents to be uninsured, regardless of age (see Figures 1a and 1b). Non-parents are also less likely than parents to have employment-based health insurance, except in the youngest age group (19-29).<sup>2</sup>

Compared to parents, more childless adults are under 30 and over 45 (see Figure 2). Either they haven't started families, or their children are grown. Both nationally and in California, roughly 6 out of 10 parents are age 30-44. In general, the proportion of younger adults, both parents and non-parents, is about 10-12 percentage points higher among the uninsured than in the population at large (not shown).

This same general pattern holds true for uninsured adults across all income ranges, both nationally and in California (see Figures 3a and 3b), although higher-income adults, both parents and non-parents, tend to be older than lower-income adults.

Because there are more non-parents than parents (100.3 million v. 64.8 million, nationally; 12.2 million v. 8.4 million in California), and because non-parents are more likely to be uninsured, non-parents constitute a sizeable majority of uninsured adults at all income levels, both nationally and in California. Nationally, about 70% of all uninsured adults are childless

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<sup>1</sup> The HHS-issued federal poverty guidelines are used for program eligibility purposes. These poverty guidelines are based on, but differ from, the "poverty thresholds" used by the Census Bureau.

<sup>2</sup> In a companion paper, "Family (Parental) Status and Prevalence of Employer Coverage" (September 2001), we note that this difference is due, at least in part, to the fact that relatively more non-parents than parents earn less than \$15,000 per year and relatively fewer non-parents earn more than \$40,000 per year. EBI and uninsured rates are very similar between parents and non-parents with comparable earnings.

adults; in California, the proportion is about 65% (not shown). The proportion of non-parents among uninsured adults is slightly lower at lower income levels (see Figure 4), but still exceeds 60% both nationally and in California.

Figures 5a and 5b display graphically the relative sizes and age distribution of uninsured parents and non-parents in the United States and in California.

#### **D. Conclusion and Policy Implications**

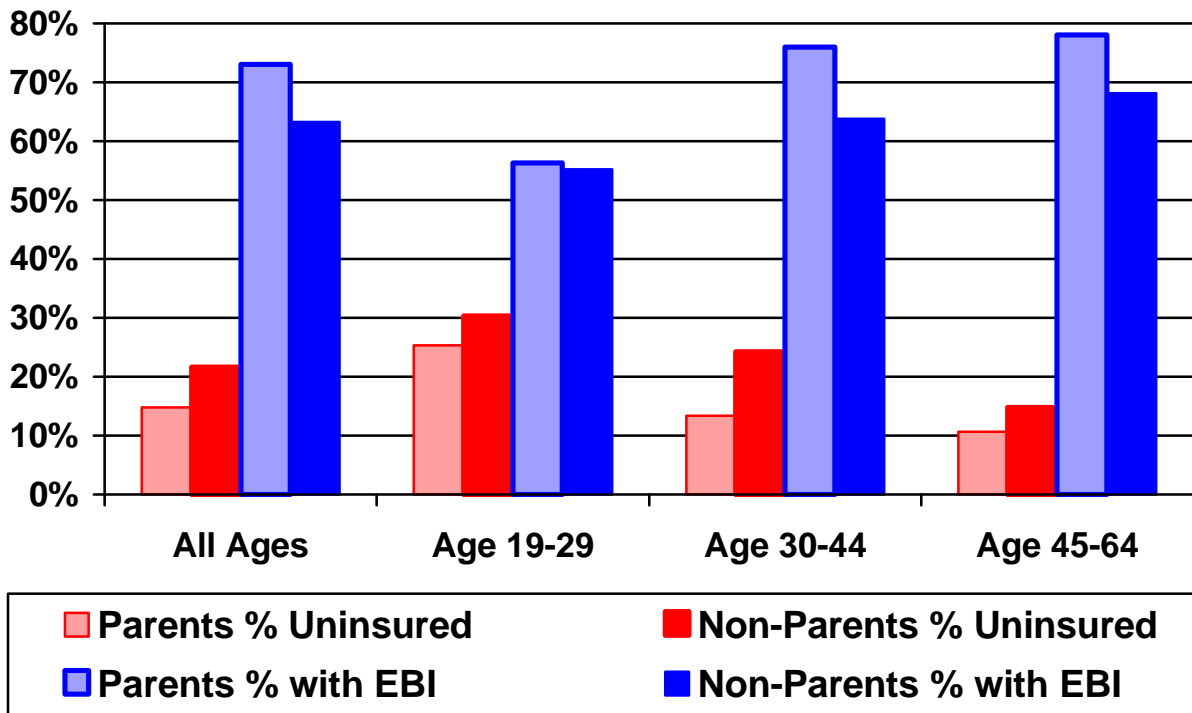
In the income ranges of public policy interest—less than 133% FPG and 133%-249% FPG—there are many more uninsured non-parents than uninsured parents. (The ratio ranges from 2.1 nationally below 133% FPG to 1.6 in California between 133% and 249% FPG.)

Thus, efforts to expand coverage to all uninsured adults in these income ranges would require a significant expenditure of public funds. The additional expenditure required might be mitigated somewhat if uninsured non-parents were, on average, significantly younger, and therefore less expensive, than uninsured non-parents. Unfortunately, we cannot determine definitively, at the level of analysis supported by this project, whether age-related average costs for covering uninsured non-parents would be somewhat more or less than for uninsured parents. The data presented here show that relatively more uninsured non-parents than parents are both under 30 and over 44, but there does not appear to be a sizeable difference in median age between the two groups.

It seems likely that any large-scale public subsidy funds made available to childless workers, such as the proposed \$1,000 federal tax credit for individual coverage, would be substantially lower, per capita, than the funds being made available for parents and children under SCHIP. While such subsidy levels may be adequate to fund age-rated basic coverage for the many uninsured childless adults who are young, they would fall far short of covering age-rated premiums for those who are older (who, in addition, are likely to prefer more comprehensive, and therefore more expensive, coverage). To address this, policy makers may want to consider strategies to provide supplemental subsidies or pool risks and costs more broadly. The identification and analysis of alternative approaches to do so is, unfortunately, well beyond the scope of this paper.

**Figure 1a: Percent of Parents and Non-Parents Who Are Uninsured and Who Have Employment-Based Insurance (EBI), by Age Group**

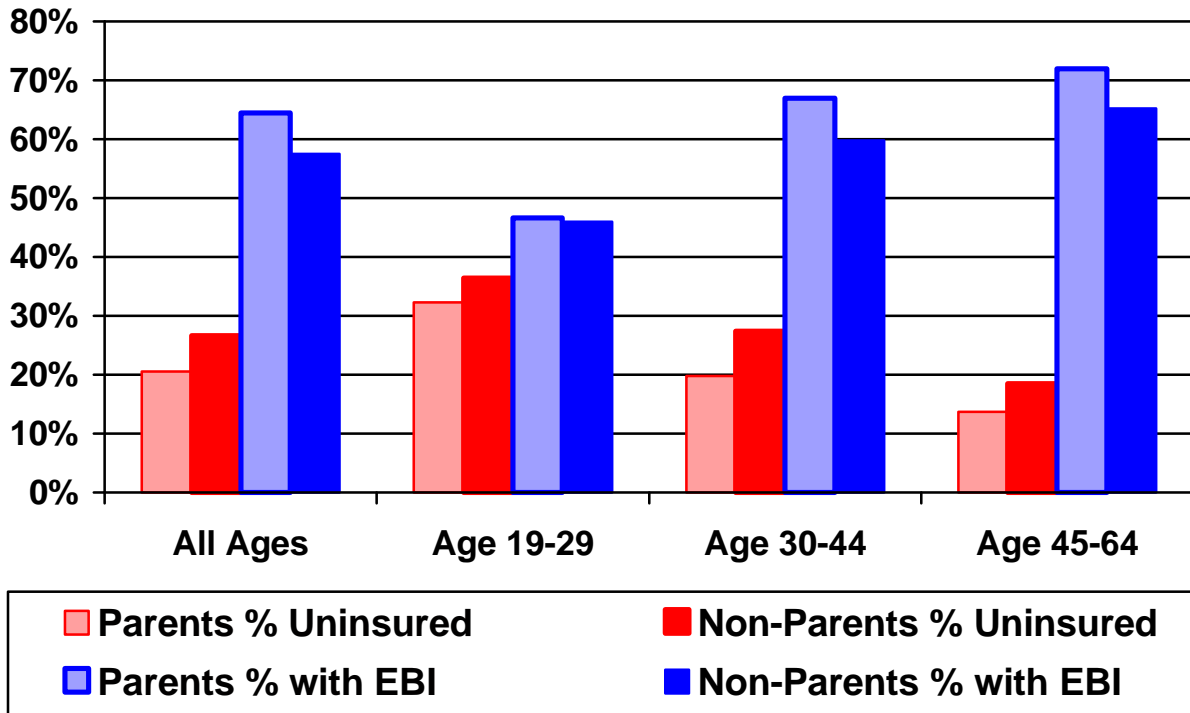
**United States, 1999**



Source: IHPS analysis of the March 2000 Current Population Survey

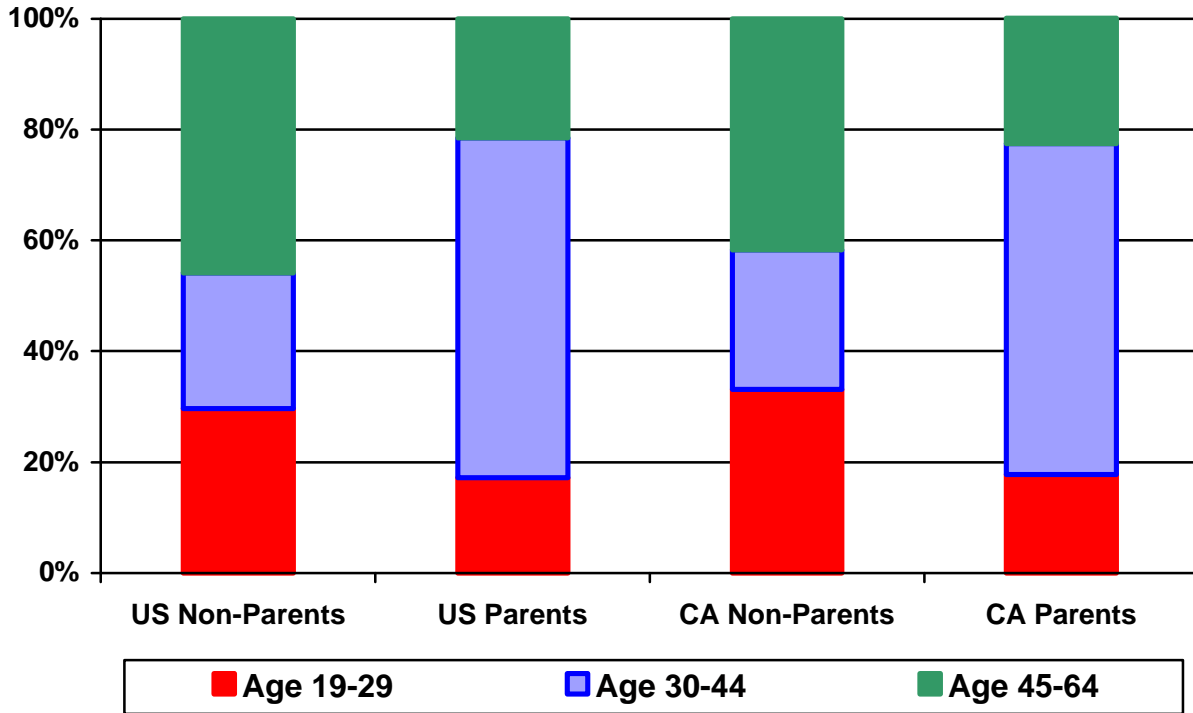
**Figure 1b: Percent of Parents and Non-Parents Who Are Uninsured and Who Have Employment-Based Insurance (EBI), by Age Group**

**California, 1999**



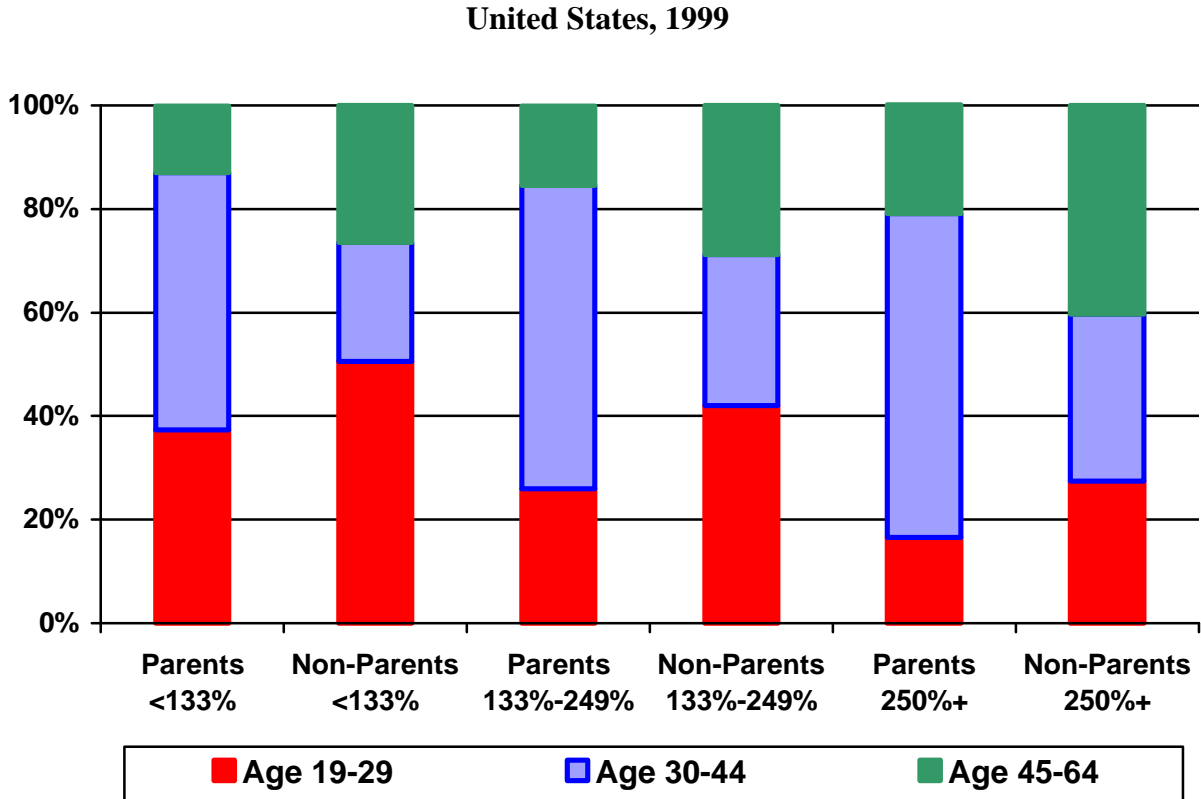
Source: IHPS analysis of the March 2000 Current Population Survey

**Figure 2: Percent Distribution of Parents and Non-Parents by Age Group, United States and California, 1999**



Source: IHPS analysis of the March 2000 Current Population Survey

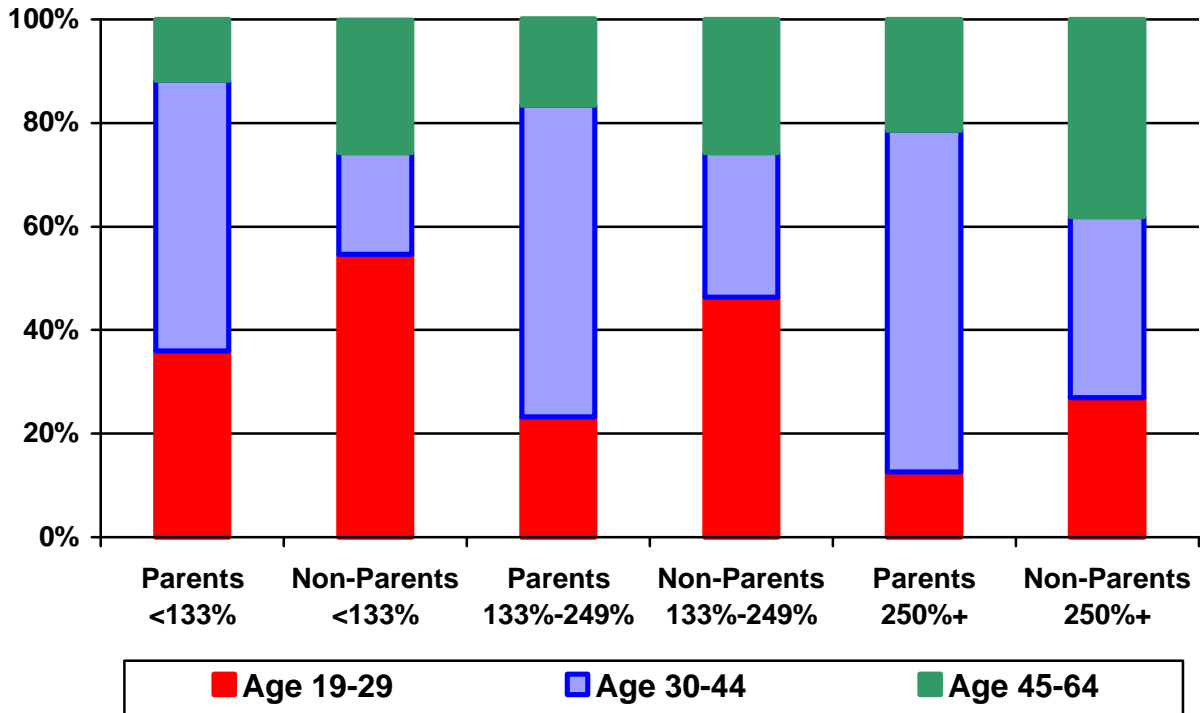
**Figure 3a: Percent Distribution of Uninsured Parents and Non-Parents by Age Group within Family Income Categories as a Percent of the Federal Poverty Guidelines (% FPG)**



Source: IHPS analysis of the March 2000 Current Population Survey

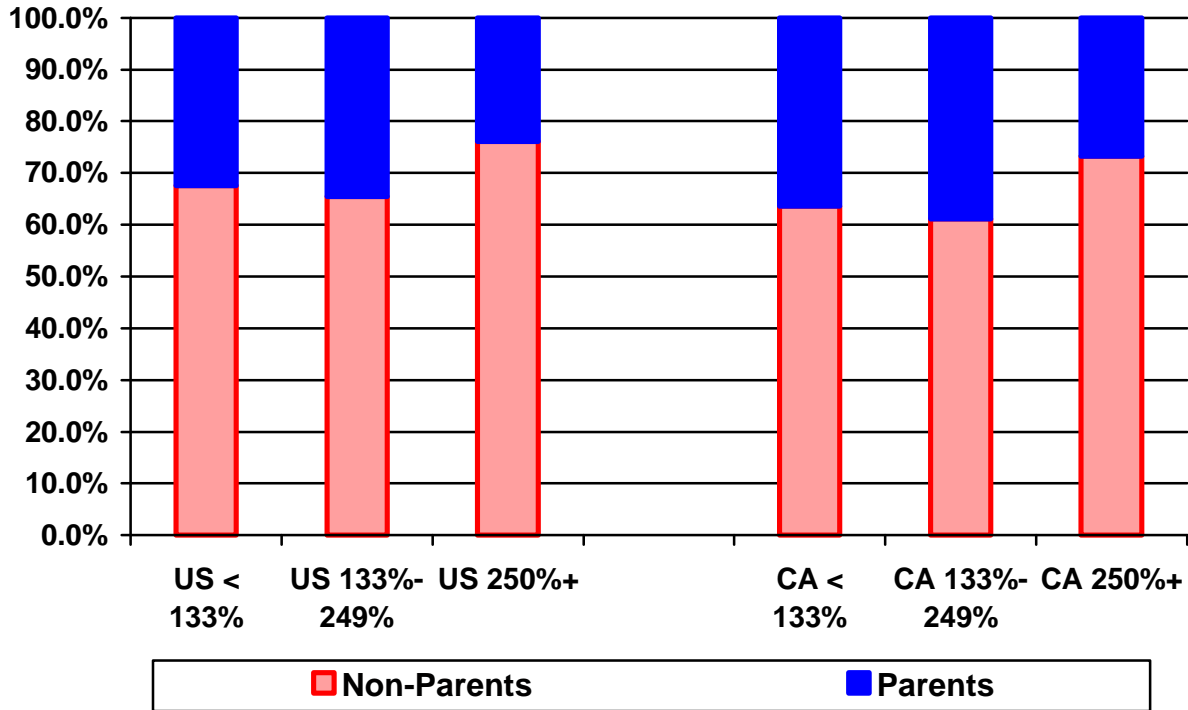
**Figure 3b: Percent Distribution of Uninsured Parents and Non-Parents by Age Group within Family Income Categories as a Percent of the Federal Poverty Guidelines (% FPG)**

California, 1999



Source: IHPS analysis of the March 2000 Current Population Survey

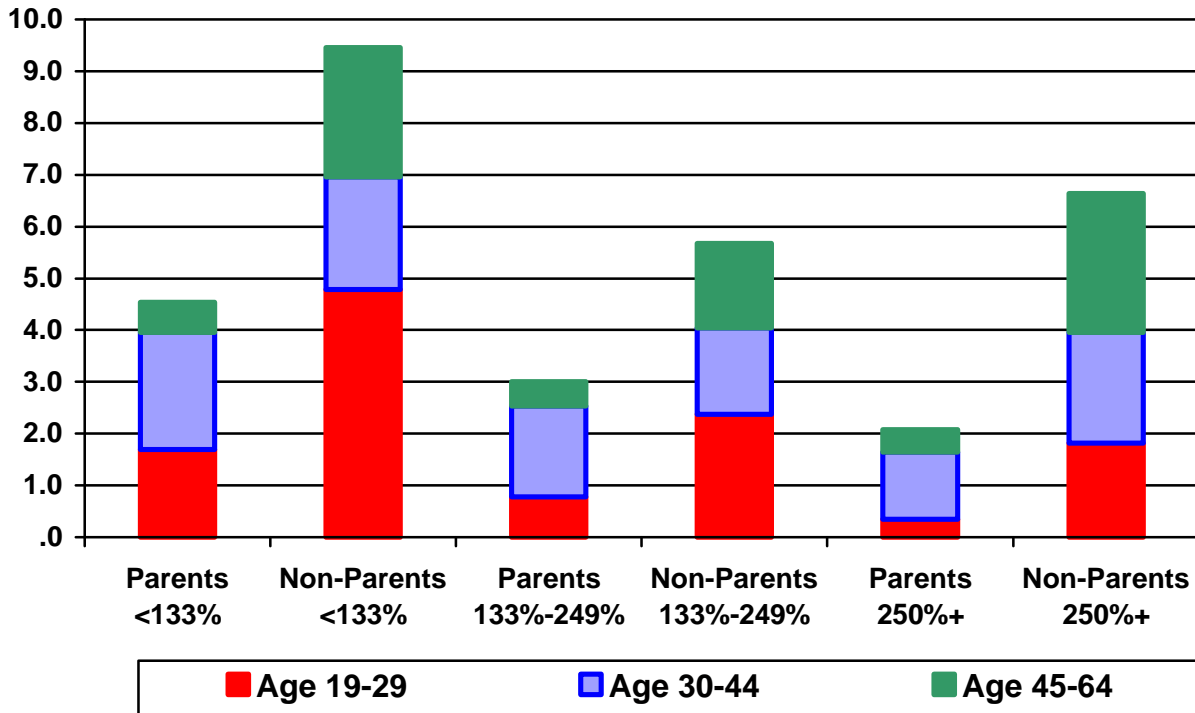
**Figure 4: Percent Distribution of Uninsured Adults by Parental Status within Family Income Categories as a Percent of the Federal Poverty Guidelines (% FPG), United States and California, 1999**



Source: IHPS analysis of the March 2000 Current Population Survey

**Figure 5a: Millions of Uninsured Parents and Non-Parents by Age Group and by Family Income Categories as a Percent of the Federal Poverty Guidelines (% FPG)**

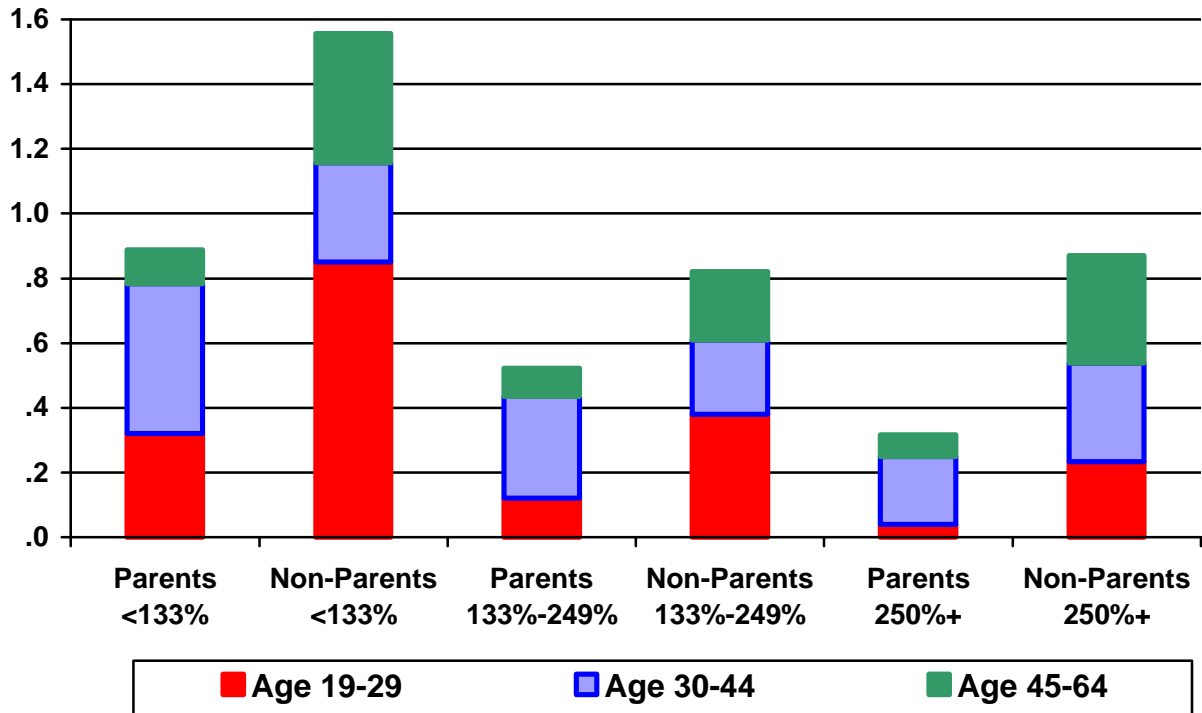
United States, 1999



Source: IHPS analysis of the March 2000 Current Population Survey

**Figure 5b: Millions of Uninsured Parents and Non-Parents by Age Group and by Family Income Categories as a Percent of the Federal Poverty Guidelines (% FPG)**

**California, 1999**



Source: IHPS analysis of the March 2000 Current Population Survey