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## Changes in Employment and Employer-Sponsored Health Insurance Levels During the COVID-19 Pandemic

The Coronavirus Disease 2019 (COVID-19) pandemic and related recession led to massive job loss in early 2020, with some lasting labor market effects. Because a majority of Americans receive their health insurance through an employment setting (either directly through their own employer or through a spouse's or parent's employer), these large and persistent job losses raise questions about the extent to which similar declines in employer-sponsored insurance (ESI) coverage occurred.

CRS analysis shows that between March 2019 and March 2021, employment levels fell from 85.0% of the working-age population (persons aged 19 to 64) to 82.9% of the working-age population, a decrease of almost 6.0 million jobs. Over this period, the percentage of all working-age adults enrolled in ESI dropped from 62.2% to 61.6% (a decrease of approximately 1.2 million adults with ESI coverage), which is a smaller decline than some studies published early in the pandemic predicted.

The extent to which job losses contribute to a decline in ESI coverage depends on various factors. These factors include, among others, whether the lost jobs offered ESI, whether individuals who lost their jobs were enrolled in ESI, and whether formerly covered individuals who lost their jobs were able to enroll in ESI coverage through a spouse's or parent's employer.

The small percentage-point decline in ESI coverage among the working-age population (relative to employment loss) between March 2019 and March 2021 can be partially explained by the fact that job loss over that period was, in the aggregate, concentrated in jobs that were less likely to include an offer of health insurance coverage. The number of workers reporting their employer did not offer health insurance fell by 3.4 million, a 10.1% loss, which exceeds the decline in the number of workers reporting their employer did offer ESI (2.6 million, a 2.7% loss) between March 2019 and March 2021.

Although COVID-19-related layoffs were widespread, some worker groups were more affected than others. As such, this report evaluates employment loss and its composition (i.e., the extent to which lost jobs had offered ESI), as well as the relationship between job loss and ESI offer rates and coverage across industries and selected demographic groups.

Top-level findings from analyses by industry and demographics include the following:

- The four industries with the lowest ESI offer rates in 2019 (all of which were below the overall ESI rate) account for nearly half of the decrease in employment between March 2019 and March 2021.
- Job loss was not exclusive to those without ESI offers: overall and within industries, employment declined to varying degrees among both jobs that offered ESI and those that did not.
- Across the different demographic groups, ESI coverage rates generally rose or remained stable among workers and declined or remained stable among the broader working-age adult population.
- Working-age adults with lower levels of educational attainment were particularly vulnerable to loss of ESI coverage during the analysis period.