

# Group Health Insurance Coverage of Full-Time Employees, 1972

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*Forty-six million full-time workers in private industry and government jobs—70 percent of those employed full time at the time of the survey in April 1972—were covered by a group health insurance plan. This article reports on the characteristics of workers covered by group health insurance plans and those not covered. Some of the details of group health insurance provisions, such as financing arrangements and types of benefits provided, are also discussed.*

IN MID-APRIL 1972 the Bureau of the Census conducted a survey of households to obtain, for each member aged 16 or older, information on the employment status and group health insurance coverage through the workplace. The survey, made under contract with the Department of the Treasury, the Department of Labor, and the Department of Health, Education, and Welfare, was conducted with a scientifically selected sample of households designed to represent the civilian non-institutionalized population of the United States. The survey and estimating methods used in the study, as well as certain limitations of the data, are explained in the technical note at the end of the article.

Highlights of the April 1972 study reveal that:

- An estimated 46 million full-time workers in the civilian labor force—7 out of 10 of those employed full time in April 1972—were covered by a group health insurance plan on their job.
- The proportion of men covered by group health insurance—74 percent—was substantially higher than that for women—61 percent.
- White workers were more likely than workers from all other races to have coverage on their job—71 percent and 65 percent, respectively.
- The coverage rate was somewhat higher for wage and salary workers in government than for wage and salary workers in private industry—80 percent and 74 percent, respectively.
- Both wage and salary groups had substantially higher coverage rates than the self-employed
- Group health insurance coverage was greatest in high-wage industries, such as manufacturing, mining, and communications and public utilities, and

least in low-wage industries, such as agriculture, services, and retail trade.

- Eighty percent of the workers not included in group health insurance plans were in agriculture, construction, trade, and service industries.
- Younger workers and older workers were least likely to have group health insurance coverage—more than 35 percent of those under age 25 and 54 percent of those aged 65 or over were not covered.
- Workers not included under group health insurance plans were likely to be low earners.
- About half of all workers in group insurance plans had hospital, surgical, and medical protection. Most of the remainder had hospital and surgical protection.
- About a third of the workers in group health insurance plans were in noncontributory plans with the employer paying the full cost. Another 47 percent of the workers shared the cost of their plan.

This report focuses on the detailed characteristics of full-time workers<sup>1</sup> included and those not included in group health insurance plans on their current job. Since there is a major distinction between group coverage for private wage and salary workers and that for government workers, the analysis also includes a detailed comparison of differences in coverage for these two groups. For the self-employed and unpaid workers, the small size of the group, as well as problems of reporting coverage by the self-employed, precludes such detailed analysis.<sup>2</sup> Furthermore, it must be emphasized that this article does not make estimates of the total population covered under health insurance plans, such as those found

<sup>1</sup> Full-time wage and salary workers are defined as those working 35 hours or more during the survey week, those with a full-time job but not at work during that week, or those with a full-time job but working less than 35 hours because of noneconomic reasons.

<sup>2</sup> Many of the self-employed with group health insurance probably obtained this coverage through a group policy offered to their employees. Some of the self-employed may have reported coverage from a wage and salary job they previously held. Professional associations frequently offer group coverage to their members. Although this coverage is not employment-related and thus should not have been reported in the survey, it may have been.

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in other studies,<sup>3</sup> since the survey does not ask for information on individual health insurance coverage.

### CHARACTERISTICS OF WORKERS WITH AND WITHOUT GROUP HEALTH INSURANCE

Estimates from the survey indicate that about 46 million full-time workers in the civilian labor force (private industry and government wage and salary workers and the self-employed) had private group health insurance coverage on their job in April 1972. These workers accounted for 7 out of 10 of the 66 million persons aged 16 or older in the full-time civilian labor force during that month.

Group health insurance is defined here as any plan related to employment that is designed to pay all or part of the hospital or medical expenses of the employed individuals (and in many cases, those of their dependents).<sup>4</sup> As mentioned above, this report does not include estimates of coverage under individual health insurance plans such as found in other surveys. Virtually all the workers with group health insurance coverage were in plans providing some form of hospitalization as well as surgical insurance. A substantial group—about half—had additional coverage for doctors' visits at the office or home.

The survey estimate of 46.0 million full-time workers covered by private group health insurance plans is considerably lower than the Social Security Administration estimate of 59.6 million full- and part-time workers with coverage in 1970.<sup>5</sup> Much of the difference is explained by the exclusion of part-time workers and the unemployed from the survey. Some of the difference, however, stems from a number of factors that

TABLE 1.—Percentage distribution of all full-time workers, by group health insurance status and type of employment, April 1972

| Type of employment                 | Total number (in thousands) | Percentage distribution |         |             |             |
|------------------------------------|-----------------------------|-------------------------|---------|-------------|-------------|
|                                    |                             | Total                   | Covered | Not covered | No response |
| Total                              |                             |                         |         |             |             |
| Total.....                         | 65,527                      | 100                     | 70      | 29          | 1           |
| Private industry.....              | 48,178                      | 100                     | 74      | 26          | 1           |
| Government.....                    | 11,431                      | 100                     | 80      | 19          | (?)         |
| Self-employment <sup>1</sup> ..... | 5,919                       | 100                     | 23      | 76          | 1           |
| Men                                |                             |                         |         |             |             |
| Total.....                         | 44,206                      | 100                     | 74      | 25          | 1           |
| Private industry.....              | 32,708                      | 100                     | 79      | 20          | 1           |
| Government.....                    | 6,717                       | 100                     | 88      | 12          | (?)         |
| Self-employment <sup>1</sup> ..... | 4,782                       | 100                     | 25      | 73          | 1           |
| Women                              |                             |                         |         |             |             |
| Total.....                         | 21,321                      | 100                     | 61      | 38          | 1           |
| Private industry.....              | 15,470                      | 100                     | 62      | 37          | 1           |
| Government.....                    | 4,714                       | 100                     | 70      | 30          | 1           |
| Self-employment <sup>1</sup> ..... | 1,137                       | 100                     | 15      | 84          | 1           |

<sup>1</sup> Includes a small number of unpaid full-time family workers.

<sup>2</sup> Less than 0.5 percent.

have resulted in overstatements of coverage in the Social Security Administration estimate. That estimate is based on reports of private insurance companies and other government agencies, many of which include data for persons who—because of retirement, layoff, sickness, or job shifts—are no longer employed. In addition, an unknown amount of duplication in the estimate exists, especially for husbands and wives who both work. Reconciliation of the Social Security Administration global estimate and the survey data is underway.

According to the survey, coverage rates varied widely by sex and by type of employee (private industry or government). The proportion with coverage was somewhat higher for wage and salary workers in government than for wage and salary workers in private industry—80 percent and 74 percent, respectively (table 1). Both groups had substantially higher coverage rates than the full-time self-employed. Much of the difference reflects the lack of group health insurance coverage in smaller establishments, partly because of prevailing underwriting practices and State laws.

The proportion of men with health insurance coverage—74 percent—was substantially higher than that of women—61 percent. In addition,

<sup>3</sup> See, for example, "Hospital and Surgical Insurance Coverage, United States, 1968," *Vital and Health Statistics*, Series 10, No. 66, National Center for Health Statistics, Public Health Service, January 1972, and Marjorie Smith Mueller, "Private Health Insurance in 1972: Health Care Services, Enrollment, and Finances," *Social Security Bulletin*, February 1974

<sup>4</sup> The survey question was: "Are you presently covered by a group health insurance plan for employees where you now or did work?" The respondents were asked not to report insurance that pays only for accidents or disability.

<sup>5</sup> See Walter W. Kolodrubetz, "Employee-Benefit Plans, 1971," *Social Security Bulletin*, April 1973, pages 27-28.

men's coverage rates were almost twenty percentage points greater in both private industry and government. This difference reflects to some degree the fact that a married working woman is often precluded from participation in an employer-sponsored plan if her husband has family coverage through his employer.

## Industry

The survey results show variation in group health insurance coverage for full-time workers by major industry group. Coverage was almost

universal for workers in durable goods manufacturing, communications and public utilities, and mining industries—about 9 out of 10 workers were covered (table 2). Somewhat lower coverage rates were found in nondurable goods manufacturing, transportation, wholesale trade, and finance industries, with rates ranging from 75 percent to 84 percent. The largest gaps in groups coverage were in construction, retail trade, and service industries, with the lowest rate—20 percent—found in agriculture.

Generally speaking, coverage rates for men were higher than those for women in almost all industries, except in transportation and communi-

TABLE 2 —Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry, by group health insurance status and industry division, April 1972

| Industry division                        | Total number<br>(in thousands) | Percentage distribution by coverage status |         |             | Percentage distribution by industry division |         |             |
|--|--------------------------------|--|---------|-------------|--|---------|-------------|
|  |                                | Total 1                                    | Covered | Not covered | Total 1                                      | Covered | Not covered |
| <b>Total</b>                             |                                |  |         |             |  |         |             |
| <i>All full-time workers</i>             |                                |  |         |             |  |         |             |
| Total.....                               | 65,527                         | 100  | 70      | 29          | 100  | 100     | 100         |
| Agriculture.....                         | 2,435                          | 100  | 20      | 79          | 4  | 1       | 10          |
| Mining.....                              | 573                            | 100  | 88      | 11          | 1  | 1       | (*)         |
| Construction.....                        | 4,618                          | 100  | 58      | 41          | 7  | 6       | 10          |
| Manufacturing.....                       |                                |  |         |             |  |         |             |
| Durable goods.....                       | 10,981                         | 100  | 89      | 10          | 17   | 21      | 6           |
| Nondurable goods.....                    | 7,318                          | 100  | 84      | 16          | 11   | 13      | 6           |
| Transportation.....                      | 2,601                          | 100  | 79      | 21          | 4  | 4       | 3           |
| Communications and public utilities..... | 2,142                          | 100  | 92      | 8           | 3  | 4       | 1           |
| Trade.....                               |                                |  |         |             |  |         |             |
| Wholesale.....                           | 2,766                          | 100  | 75      | 24          | 4  | 4       | 4           |
| Retail.....                              | 8,493                          | 100  | 54      | 45          | 13   | 10      | 20          |
| Finance, insurance, and real estate..... | 3,843                          | 100  | 75      | 24          | 6  | 8       | 5           |
| Services.....                            | 19,758                         | 100  | 65      | 34          | 30   | 28      | 36          |
| <b>Men</b>                               |                                |  |         |             |  |         |             |
| Total.....                               | 44,206                         | 100  | 74      | 25          | 100  | 100     | 100         |
| Agriculture.....                         | 2,200                          | 100  | 21      | 78          | 5  | 1       | 18          |
| Mining.....                              | 524                            | 100  | 88      | 10          | 1  | 1       | (*)         |
| Construction.....                        | 4,382                          | 100  | 59      | 41          | 10   | 8       | 16          |
| Manufacturing.....                       |                                |  |         |             |  |         |             |
| Durable goods.....                       | 8,801                          | 100  | 90      | 9           | 20   | 24      | 7           |
| Nondurable goods.....                    | 4,719                          | 100  | 89      | 10          | 11   | 13      | 4           |
| Transportation.....                      | 2,338                          | 100  | 78      | 21          | 5  | 6       | 4           |
| Communications and public utilities..... | 1,540                          | 100  | 92      | 7           | 3  | 4       | 1           |
| Trade.....                               |                                |  |         |             |  |         |             |
| Wholesale.....                           | 2,253                          | 100  | 77      | 22          | 5  | 5       | 4           |
| Retail.....                              | 5,348                          | 100  | 61      | 38          | 12   | 10      | 19          |
| Finance, insurance, and real estate..... | 1,963                          | 100  | 78      | 21          | 4  | 5       | 4           |
| Services.....                            | 10,137                         | 100  | 74      | 26          | 23   | 23      | 24          |
| <b>Women</b>                             |                                |  |         |             |  |         |             |
| Total.....                               | 21,321                         | 100  | 61      | 38          | 100  | 100     | 100         |
| Agriculture.....                         | 235                            | 100  | 15      | 85          | 1  | (*)     | 2           |
| Mining.....                              | 49                             | (*)  | (*)     | (*)         | (*)  | (*)     | (*)         |
| Construction.....                        | 236                            | 100  | 46      | 54          | 1  | 1       | 2           |
| Manufacturing.....                       |                                |  |         |             |  |         |             |
| Durable goods.....                       | 2,179                          | 100  | 83      | 16          | 10   | 14      | 4           |
| Nondurable goods.....                    | 2,599                          | 100  | 74      | 25          | 12   | 15      | 8           |
| Transportation.....                      | 263                            | 100  | 80      | 20          | 1  | 2       | 1           |
| Communications and public utilities..... | 601                            | 100  | 90      | 10          | 3  | 4       | 1           |
| Trade.....                               |                                |  |         |             |  |         |             |
| Wholesale.....                           | 513                            | 100  | 64      | 36          | 2  | 2       | 2           |
| Retail.....                              | 3,144                          | 100  | 43      | 56          | 15   | 10      | 22          |
| Finance, insurance, and real estate..... | 1,880                          | 100  | 72      | 28          | 9  | 10      | 6           |
| Services.....                            | 9,621                          | 100  | 56      | 44          | 45   | 41      | 52          |

See footnotes at end of table.

TABLE 2—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry, by group health insurance status and industry division, April 1972—Continued

| Industry division                        | Total number (in thousands) | Percentage distribution by coverage status |                  |                  | Percentage distribution by industry division |                  |                  |
|--|-----------------------------|--|------------------|------------------|--|------------------|------------------|
|  |                             | Total <sup>1</sup>                         | Covered          | Not covered      | Total <sup>1</sup>                           | Covered          | Not covered      |
| <b>Workers in private industry</b>       |                             |  |                  |                  |  |                  |                  |
| <b>Total</b>                             |                             |  |                  |                  |  |                  |                  |
| Total.....                               | 48,178                      | 100  | 74               | 26               | 100  | 100              | 100              |
| Agriculture.....                         | 803                         | 100  | 27               | 71               | 2  | 1                | 5                |
| Mining.....                              | 657                         | 100  | 89               | 10               | 1  | 1                | ( <sup>2</sup> ) |
| Construction.....                        | 3,380                       | 100  | 60               | 39               | 7  | 6                | 11               |
| Manufacturing:                           |                             |  |                  |                  |  |                  |                  |
| Durable goods.....                       | 10,687                      | 100  | 90               | 10               | 22   | 27               | 8                |
| Nondurable goods.....                    | 7,238                       | 100  | 84               | 15               | 15   | 17               | 9                |
| Transportation.....                      | 2,262                       | 100  | 83               | 17               | 5  | 5                | 3                |
| Communications and public utilities..... | 1,746                       | 100  | 91               | 8                | 4  | 5                | 1                |
| Trade:                                   |                             |  |                  |                  |  |                  |                  |
| Wholesale.....                           | 2,557                       | 100  | 78               | 22               | 5  | 6                | 4                |
| Retail.....                              | 7,153                       | 100  | 60               | 40               | 15   | 12               | 23               |
| Finance, insurance, and real estate..... | 3,626                       | 100  | 77               | 22               | 7  | 8                | 6                |
| Services.....                            | 8,259                       | 100  | 55               | 44               | 17   | 13               | 30               |
| <b>Men</b>                               |                             |  |                  |                  |  |                  |                  |
| Total.....                               | 32,708                      | 100  | 79               | 20               | 100  | 100              | 100              |
| Agriculture.....                         | 717                         | 100  | 29               | 70               | 2  | 1                | 8                |
| Mining.....                              | 511                         | 100  | 89               | 10               | 2  | 2                | 1                |
| Construction.....                        | 3,221                       | 100  | 61               | 38               | 10   | 7                | 18               |
| Manufacturing:                           |                             |  |                  |                  |  |                  |                  |
| Durable goods.....                       | 8,542                       | 100  | 91               | 8                | 26   | 30               | 11               |
| Nondurable goods.....                    | 4,661                       | 100  | 89               | 10               | 14   | 16               | 7                |
| Transportation.....                      | 2,015                       | 100  | 82               | 17               | 6  | 6                | 5                |
| Communications and public utilities..... | 1,187                       | 100  | 92               | 7                | 4  | 4                | 1                |
| Trade:                                   |                             |  |                  |                  |  |                  |                  |
| Wholesale.....                           | 2,060                       | 100  | 81               | 18               | 6  | 6                | 6                |
| Retail.....                              | 4,426                       | 100  | 68               | 32               | 14   | 12               | 21               |
| Finance, insurance, and real estate..... | 1,737                       | 100  | 82               | 17               | 5  | 6                | 4                |
| Services.....                            | 3,631                       | 100  | 66               | 33               | 11   | 9                | 18               |
| <b>Women</b>                             |                             |  |                  |                  |  |                  |                  |
| Total.....                               | 15,470                      | 100  | 62               | 37               | 100  | 100              | 100              |
| Agriculture.....                         | 85                          | ( <sup>3</sup> )                           | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1  | ( <sup>3</sup> ) | 1                |
| Mining.....                              | 46                          | ( <sup>3</sup> )                           | ( <sup>3</sup> ) | ( <sup>3</sup> ) | ( <sup>3</sup> )                             | ( <sup>3</sup> ) | ( <sup>3</sup> ) |
| Construction.....                        | 159                         | ( <sup>3</sup> )                           | ( <sup>3</sup> ) | ( <sup>3</sup> ) | 1  | 1                | 1                |
| Manufacturing:                           |                             |  |                  |                  |  |                  |                  |
| Durable goods.....                       | 2,156                       | 100  | 84               | 16               | 14   | 19               | 6                |
| Nondurable goods.....                    | 2,577                       | 100  | 75               | 25               | 17   | 20               | 11               |
| Transportation.....                      | 247                         | 100  | 85               | 15               | 2  | 2                | 1                |
| Communications and public utilities..... | 559                         | 100  | 91               | 9                | 4  | 5                | 1                |
| Trade:                                   |                             |  |                  |                  |  |                  |                  |
| Wholesale.....                           | 497                         | 100  | 65               | 34               | 3  | 3                | 3                |
| Retail.....                              | 2,727                       | 100  | 47               | 53               | 18   | 13               | 25               |
| Finance, insurance, and real estate..... | 1,789                       | 100  | 73               | 27               | 12   | 13               | 8                |
| Services.....                            | 4,629                       | 100  | 46               | 53               | 30   | 22               | 43               |

<sup>1</sup> Includes nonresponse, not shown separately.

<sup>2</sup> Less than 0.5 percent

<sup>3</sup> Not computed where base less than 200,000.

cations and public utilities, where the difference was not significant statistically. Because of the extremely low coverage rates for women in retail trade (43 percent) and services (56 percent) and the extensive employment of women in these industries, almost three-fourths of the women workers not in group health insurance plans were in these two industries. For men, the pattern was somewhat different, with three-fourths of the noncovered group full-time workers in construction, retail trade, services, and agriculture.

When the self-employed and government workers are excluded, a similar distribution of cover-

age by industry is found for the full-time private wage and salary workers (table 2). Except for the service industry, coverage rates generally rose a few percentage points industry-by-industry mainly because the self-employed were excluded.

The incidence of group health insurance by detailed private manufacturing industry division varied significantly. Within durable goods industries, the coverage rates ranged from 76 percent in furniture to 97 percent in primary metals (table 3). In most durable goods industries, however, coverage rates were 87 percent or more. Coverage rates in nondurable goods industries

TABLE 3.—Percentage distribution of full-time wage and salary workers in private industry, by group health insurance status and manufacturing industry group, April 1972

| Manufacturing industry group            | Percentage distribution |                  |                  |
|---|-------------------------|------------------|------------------|
|   | Total <sup>1</sup>      | Covered          | Not covered      |
| Total.....                              | 100                     | 87               | 12               |
| Durable goods manufacturing.....        | 100                     | 90               | 10               |
| Ordnance and accessories.....           | ( <sup>2</sup> )        | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Lumber and wood products.....           | 100                     | 77               | 23               |
| Furniture and fixtures.....             | 100                     | 76               | 23               |
| Stone, clay, and glass products.....    | 100                     | 87               | 12               |
| Primary metals.....                     | 100                     | 97               | 3                |
| Fabricated metal products.....          | 100                     | 90               | 9                |
| Machinery, except electrical.....       | 100                     | 91               | 8                |
| Electrical equipment and supplies.....  | 100                     | 92               | 8                |
| Transportation equipment.....           | 100                     | 92               | 7                |
| Instruments and related products.....   | 100                     | 88               | 12               |
| Miscellaneous.....                      | 100                     | 74               | 25               |
| Non-durable goods.....                  | 100                     | 84               | 15               |
| Food and kindred products.....          | 100                     | 84               | 14               |
| Textile mill products.....              | 100                     | 88               | 11               |
| Apparel and other textile products..... | 100                     | 66               | 33               |
| Paper and allied products.....          | 100                     | 94               | 6                |
| Printing and publishing.....            | 100                     | 80               | 20               |
| Chemicals and allied products.....      | 100                     | 94               | 5                |
| Petroleum and coal products.....        | 100                     | 81               | 9                |
| Rubber and plastics products.....       | 100                     | 87               | 13               |
| Leather and leather products.....       | 100                     | 73               | 26               |
| Tobacco.....                            | ( <sup>2</sup> )        | ( <sup>2</sup> ) | ( <sup>2</sup> ) |

<sup>1</sup> Includes nonresponse, not shown separately.

<sup>2</sup> Not computed where base less than 200,000

showed wide differences: in the apparel industry, for example, 66 percent had coverage, although 91–94 percent of the workers in the paper, chemicals, and petroleum industries were covered.

### Occupation

Occupational variations in health insurance coverage also prevailed. As table 4 shows, low coverage rates were found among service workers (52 percent), sales workers (62 percent), non-farm laborers (67 percent), and managers and officials (69 percent). As expected, farm workers were least likely to be covered; only a sixth had group health insurance. In the remaining occupations, however, coverage rates ranged from 74 percent to 80 percent.

As was true in the distributions by industry, women generally had lower coverage rates than men occupationally. Among men (excluding farm workers), coverage rates ranged from 68 percent for laborers to 87 percent for clerical workers. On the other hand, in the occupations where 85 percent of the women were employed, coverage rates ranged from 36 percent for service workers to 70 percent for clerical workers.

When the persons not included in health insurance plans are isolated, more than two-thirds

of the women were in clerical jobs or were operatives or service workers (many of them private household workers). For men, however, the non-covered group was more diverse, but those occupations with lower earnings (such as farm workers, service workers, and nonfarm laborers) accounted for about a third of all men without coverage (only a sixth of full-time male workers were in these occupations). Men and women in these occupational groups not only have low group coverage rates, but presumably do not often purchase individual health insurance coverage.

As noted earlier, group health insurance coverage among the self-employed in the survey was low. This fact accounts to some degree for the high proportion—24 percent—of professionals and managers among those not covered by group plans.

Health insurance coverage rates for private wage and salary workers were generally lower than those for government workers, occupation by occupation. From 76 percent to 86 percent of the men in white-collar jobs in private industry for example, had coverage; the rates for men in similar white-collar government occupations ranged from 87 percent to 90 percent. Even greater differences were found among blue-collar workers. Generally, the proportion of women with health insurance coverage was not much different for government and private workers in the few occupations with enough data to make comparisons. Health insurance participation rates, by occupation, were generally lower for women than for men in both private industry jobs and government jobs.

### Age

Younger workers and, as might be expected, older workers were least likely to be included in group health insurance plans on the job: over 35 percent of those under age 25 and 54 percent of those aged 65 or over were not covered (table 5). The reason for the low coverage of the older group is that Medicare's hospital insurance covers virtually all persons aged 65 or over. Most of the persons in that age group also have Medicare's supplementary medical insurance that covers surgery and other physicians' fees.

Presumably the majority of the workers aged 65 or over in private group plans have coverage that complements Medicare. Some of those workers—Federal employees who may not qualify for Medicare's hospital benefits—may have full coverage under their plans.

The low coverage rate for the young stems in part from the fact that many of this group were single men and women. Perhaps they were not interested in the group health insurance offered to them and declined participation, or they may have had coverage through a family policy.

Coverage rates for persons in the age groups from 25 to 64 ranged from 68 percent to 76 percent and averaged around 72 percent. Moreover,

except for persons under age 25 and those aged 65 and over, health insurance coverage was at least ten percentage points higher for men than for women in each age category. Excluding the young and the old, the rates ranged from 71 percent to 80 percent for men and from 54 percent to 68 percent for women.

About 25 percent of the full-time workers not included in group health insurance plans in 1972 were under age 25 or aged 65 or older. Nonetheless, almost 40 percent of the men without group health protection—many of whom can be assumed to be the only wage earner in the family—were aged 30–49.

A comparison of the group health protection

TABLE 4.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and occupational group, April 1972

| Occupational group                 | Total number (in thousands) | Percentage distribution by coverage status |                  |                  | Percentage distribution by occupational group |                  |                  |
|------------------------------------|-----------------------------|--|------------------|------------------|---|------------------|------------------|
|                                    |                             | Total <sup>1</sup>                         | Covered          | Not covered      | Total <sup>1</sup>                            | Covered          | Not covered      |
| <b>All full-time workers</b>       |                             |  |                  |                  |   |                  |                  |
| <b>Total</b>                       |                             |  |                  |                  |   |                  |                  |
| Total.....                         | 65,527                      | 100  | 70               | 29               | 100   | 100              | 100              |
| White-collar workers               |                             |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 10,079                      | 100  | 77               | 22               | 15  | 17               | 12               |
| Managers and officials.....        | 7,324                       | 100  | 69               | 30               | 11  | 11               | 12               |
| Sales.....                         | 3,701                       | 100  | 62               | 37               | 6   | 5                | 7                |
| Clerical.....                      | 11,281                      | 100  | 74               | 25               | 17  | 18               | 15               |
| Blue-collar workers:               |                             |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 9,832                       | 100  | 76               | 24               | 15  | 16               | 12               |
| Operatives.....                    | 8,936                       | 100  | 80               | 19               | 14  | 16               | 9                |
| Transport equipment operators..... | 2,744                       | 100  | 74               | 25               | 4   | 4                | 4                |
| Nonfarm laborers.....              | 2,914                       | 100  | 67               | 32               | 4   | 4                | 5                |
| Service workers.....               | 6,543                       | 100  | 52               | 47               | 10  | 7                | 16               |
| Farm workers.....                  | 2,173                       | 100  | 17               | 81               | 3   | 1                | 9                |
| <b>Men</b>                         |                             |  |                  |                  |   |                  |                  |
| Total.....                         | 44,206                      | 100  | 74               | 25               | 100   | 100              | 100              |
| White-collar workers               |                             |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 6,606                       | 100  | 82               | 17               | 15  | 17               | 10               |
| Managers and officials.....        | 6,159                       | 100  | 73               | 26               | 14  | 14               | 15               |
| Sales.....                         | 2,678                       | 100  | 70               | 29               | 6   | 6                | 7                |
| Clerical.....                      | 2,996                       | 100  | 87               | 12               | 7   | 8                | 3                |
| Blue-collar workers                |                             |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 9,545                       | 100  | 76               | 23               | 22  | 22               | 20               |
| Operatives.....                    | 5,741                       | 100  | 84               | 15               | 13  | 15               | 8                |
| Transport equipment operators..... | 2,706                       | 100  | 74               | 25               | 6   | 6                | 6                |
| Nonfarm laborers.....              | 2,776                       | 100  | 68               | 30               | 6   | 6                | 8                |
| Service workers.....               | 3,015                       | 100  | 71               | 28               | 7   | 7                | 8                |
| Farm workers.....                  | 1,985                       | 100  | 18               | 81               | 4   | 1                | 15               |
| <b>Women</b>                       |                             |  |                  |                  |   |                  |                  |
| Total.....                         | 21,821                      | 100  | 61               | 38               | 100   | 100              | 100              |
| White-collar workers               |                             |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 3,473                       | 100  | 68               | 32               | 16  | 18               | 14               |
| Managers and officials.....        | 1,164                       | 100  | 48               | 51               | 5   | 4                | 7                |
| Sales.....                         | 1,024                       | 100  | 39               | 60               | 5   | 3                | 8                |
| Clerical.....                      | 8,286                       | 100  | 70               | 30               | 39  | 44               | 30               |
| Blue-collar workers:               |                             |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 288                         | 100  | 74               | 26               | 1   | 2                | 1                |
| Operatives.....                    | 3,198                       | 100  | 75               | 25               | 15  | 18               | 10               |
| Transport equipment operators..... | 38                          | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>1</sup> )                              | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Nonfarm laborers.....              | 138                         | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 1   | ( <sup>1</sup> ) | ( <sup>1</sup> ) |
| Service workers.....               | 3,528                       | 100  | 36               | 63               | 15  | 10               | 27               |
| Farm workers.....                  | 187                         | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 1   | ( <sup>1</sup> ) | 2                |

See footnotes at end of table.

of private wage and salary employees and of government employees by age group is shown in table 5. Young men and women in government jobs were more likely to be in group plans than were comparable private wage and salary workers. Furthermore, government employees aged 65 or over were more likely to have group coverage than were private industry workers.

Private wage and salary workers had Medicare coverage (not counted in the survey) and many aged government workers not eligible for Medicare hospital coverage had protection under a liberal Federal employees' health benefits plan (that was included in the scope of the survey). Among men in other age groups, government

workers consistently had higher coverage rates than those in private industry.

### Annual Earnings

An important determinant of the probability of health insurance coverage is the level of annual earnings. Employees not presently in the group health insurance system were likely to be low earners. Four-fifths of those not covered earned less than \$8,000 per year in 1971 (table 6). The lowest coverage rates were found for low earners. Less than 60 percent of the men and women earning under \$5,000 in 1971 had health insurance coverage. The coverage rates rose with

TABLE 4.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and occupational group, April 1972—Continued

| Occupational group                 | Total number (in thousands) | Percentage distribution by coverage status |                  |                  | Percentage distribution by occupational group |                  |                  |
|------------------------------------|-----------------------------|--|------------------|------------------|---|------------------|------------------|
|                                    |                             | Total <sup>1</sup>                         | Covered          | Not covered      | Total <sup>1</sup>                            | Covered          | Not covered      |
| <b>Workers in private industry</b> |                             |  |                  |                  |   |                  |                  |
| <b>Total</b>                       |                             |  |                  |                  |   |                  |                  |
| Total.....                         | 48,178                      | 100  | 74               | 26               | 100   | 100              | 100              |
| White-collar workers               |                             |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 5,105                       | 100  | 81               | 18               | 11  | 12               | 8                |
| Managers and officials.....        | 5,004                       | 100  | 78               | 22               | 10  | 11               | 9                |
| Sales.....                         | 3,247                       | 100  | 66               | 33               | 7   | 6                | 9                |
| Clerical.....                      | 8,438                       | 100  | 75               | 25               | 18  | 18               | 17               |
| Blue-collar workers                |                             |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 8,196                       | 100  | 80               | 20               | 17  | 18               | 13               |
| Operatives.....                    | 9,674                       | 100  | 81               | 18               | 18  | 20               | 13               |
| Transport equipment operators..... | 2,322                       | 100  | 75               | 24               | 5   | 5                | 4                |
| Nonfarm laborers.....              | 2,397                       | 100  | 66               | 33               | 5   | 4                | 6                |
| Service workers.....               | 4,189                       | 100  | 45               | 54               | 9   | 5                | 18               |
| Farm workers.....                  | 606                         | 100  | 23               | 75               | 1   | ( <sup>2</sup> ) | 4                |
| <b>Men</b>                         |                             |  |                  |                  |   |                  |                  |
| Total.....                         | 32,708                      | 100  | 79               | 20               | 100   | 100              | 100              |
| White-collar workers               |                             |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 3,800                       | 100  | 86               | 13               | 12  | 13               | 7                |
| Managers and officials.....        | 4,293                       | 100  | 82               | 18               | 13  | 14               | 12               |
| Sales.....                         | 2,366                       | 100  | 76               | 24               | 7   | 7                | 8                |
| Clerical.....                      | 2,056                       | 100  | 86               | 13               | 6   | 7                | 4                |
| Blue-collar workers                |                             |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 7,042                       | 100  | 80               | 20               | 24  | 25               | 24               |
| Operatives.....                    | 5,570                       | 100  | 85               | 15               | 17  | 18               | 12               |
| Transport equipment operators..... | 2,294                       | 100  | 75               | 24               | 7   | 7                | 8                |
| Nonfarm laborers.....              | 2,276                       | 100  | 67               | 31               | 7   | 6                | 11               |
| Service workers.....               | 1,548                       | 100  | 65               | 33               | 5   | 4                | 8                |
| Farm workers.....                  | 564                         | 100  | 24               | 74               | 2   | 1                | 6                |
| <b>Women</b>                       |                             |  |                  |                  |   |                  |                  |
| Total.....                         | 15,470                      | 100  | 62               | 37               | 100   | 100              | 100              |
| White-collar workers               |                             |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 1,305                       | 100  | 66               | 34               | 8   | 9                | 8                |
| Managers and officials.....        | 711                         | 100  | 56               | 44               | 5   | 4                | 5                |
| Sales.....                         | 881                         | 100  | 41               | 58               | 6   | 4                | 9                |
| Clerical.....                      | 6,383                       | 100  | 71               | 28               | 41  | 47               | 32               |
| Blue-collar workers                |                             |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 253                         | 100  | 80               | 20               | 2   | 2                | 1                |
| Operatives.....                    | 3,104                       | 100  | 75               | 24               | 20  | 24               | 13               |
| Transport equipment operators..... | 27                          | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Nonfarm laborers.....              | 122                         | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Service workers.....               | 2,041                       | 100  | 33               | 66               | 17  | 9                | 30               |
| Farm workers.....                  | 43                          | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | 1                |

See footnotes at end of table.

TABLE 4—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and occupational group, April 1972—Continued

| Occupational group                 | Total number<br>(in thousands) | Percentage distribution by coverage status |                  |                  | Percentage distribution by occupational group |                  |                  |
|------------------------------------|--------------------------------|--|------------------|------------------|---|------------------|------------------|
|                                    |                                | Total <sup>1</sup>                         | Covered          | Not covered      | Total <sup>1</sup>                            | Covered          | Not covered      |
| <b>Workers in government</b>       |                                |  |                  |                  |   |                  |                  |
| <b>Total</b>                       |                                |  |                  |                  |   |                  |                  |
| Total.....                         | 11,431                         | 100  | 80               | 19               | 100   | 100              | 100              |
| <b>White-collar workers</b>        |                                |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 4,245                          | 100  | 80               | 19               | 37  | 37               | 37               |
| Managers and officials.....        | 888                            | 100  | 84               | 16               | 8   | 8                | 7                |
| Sales.....                         | 25                             | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Clerical.....                      | 2,621                          | 100  | 76               | 22               | 23  | 22               | 27               |
| <b>Blue-collar workers</b>         |                                |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 848                            | 100  | 92               | 8                | 7   | 8                | 3                |
| Operatives.....                    | 157                            | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 1   | 1                | 1                |
| Transport equipment operators..... | 277                            | 100  | 84               | 16               | 2   | 3                | 2                |
| Nonfarm laborers.....              | 446                            | 100  | 80               | 19               | 4   | 4                | 4                |
| Service workers.....               | 1,925                          | 100  | 78               | 22               | 17  | 16               | 19               |
| <b>Men</b>                         |                                |  |                  |                  |   |                  |                  |
| Total.....                         | 6,717                          | 100  | 88               | 12               | 100   | 100              | 100              |
| <b>White-collar workers:</b>       |                                |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 2,152                          | 100  | 69               | 10               | 32  | 33               | 28               |
| Managers and officials.....        | 718                            | 100  | 87               | 13               | 11  | 11               | 12               |
| Sales.....                         | 6                              | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Clerical.....                      | 906                            | 100  | 90               | 9                | 13  | 14               | 10               |
| <b>Blue-collar workers</b>         |                                |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 832                            | 100  | 92               | 7                | 12  | 13               | 8                |
| Operatives.....                    | 90                             | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 1   | 1                | 2                |
| Transport equipment operators..... | 266                            | 100  | 85               | 15               | 4   | 4                | 5                |
| Nonfarm laborers.....              | 440                            | 100  | 80               | 19               | 7   | 6                | 10               |
| Service workers.....               | 1,309                          | 100  | 85               | 15               | 19  | 19               | 24               |
| <b>Women</b>                       |                                |  |                  |                  |   |                  |                  |
| Total.....                         | 4,714                          | 100  | 70               | 30               | 100   | 100              | 100              |
| <b>White-collar workers:</b>       |                                |  |                  |                  |   |                  |                  |
| Professional and technical.....    | 2,093                          | 100  | 71               | 28               | 44  | 45               | 42               |
| Managers and officials.....        | 170                            | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | 4   | 4                | 3                |
| Sales.....                         | 19                             | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Clerical.....                      | 1,715                          | 100  | 70               | 30               | 36  | 36               | 36               |
| <b>Blue-collar workers</b>         |                                |  |                  |                  |   |                  |                  |
| Craftsmen.....                     | 18                             | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | 1                |
| Operatives.....                    | 67                             | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | 1                |
| Transport equipment operators..... | 11                             | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Nonfarm laborers.....              | 6                              | ( <sup>2</sup> )                           | ( <sup>2</sup> ) | ( <sup>2</sup> ) | ( <sup>2</sup> )                              | ( <sup>2</sup> ) | ( <sup>2</sup> ) |
| Service workers.....               | 616                            | 100  | 63               | 36               | 13  | 12               | 16               |

<sup>1</sup> Includes nonresponse, not shown separately.  
<sup>2</sup> Not computed where base less than 200,000.

<sup>3</sup> Less than 0.5 percent.

the level of earnings so that 91-94 percent of those earning \$10,000 or more had coverage. Coverage rates were about the same for men and women who earned less than \$6,000, but at earnings levels above \$6,000 the coverage rates were lower for women than for men.

The earnings classes used in table 6 were obtained by matching data from the health insurance coverage questionnaire from the Current Population Survey (CPS) for April 1972 to wage and salary earnings for 1971 reported in the March 1972 CPS. Obviously, if the worker had recently changed jobs, the wage and salary data would not be specifically related to his present job or health insurance coverage. The data in the table are therefore restricted to workers who re-

ported that they had held their present job for 1 year or more.

Generally speaking, among low earners, those in government had higher coverage rates than those in private industry. At higher earnings levels, however, the coverage rates were not much different.

#### Race

White workers were more likely than workers of all other races to have health insurance coverage on their full-time job—71 percent and 65 percent, respectively (table 7). Furthermore, white men in both private industry and government had higher health insurance coverage rates





single women. About 76 percent of the married men had coverage, in comparison with about 63 percent of the men who were never married (table 8). On the other hand, although about 70 percent of the single women (never married, divorced, or separated) had coverage, the ratio for married women was 57 percent. This low ratio for married women undoubtedly reflects the presence of health insurance coverage through the husband's employer. The data suggest that there is some overlap in coverage for married individuals who are both working and who both report health insurance on the job.

The low coverage of single men and single women reflects, in large part, the age of this

TABLE 6.—Percentage distribution of all full-time wage and salary workers and of full-time workers in private industry and government, by group health insurance status and annual wage or salary income in 1971, April 1972

| Annual wage or salary income in 1971         | Total number (in thousands) | Percentage distribution |         |             |
|--|-----------------------------|-------------------------|---------|-------------|
|  |                             | Total 1                 | Covered | Not covered |
| <i>All full-time wage and salary workers</i> |                             |                         |         |             |
| Total 2.....                                 | 59,609                      | 100                     | 75      | 25          |
| \$1-4,999.....                               | 9,035                       | 100                     | 59      | 40          |
| 5,000-5,999.....                             | 4,165                       | 100                     | 76      | 24          |
| 6,000-6,999.....                             | 4,146                       | 100                     | 80      | 19          |
| 7,000-7,999.....                             | 4,473                       | 100                     | 85      | 15          |
| 8,000-8,999.....                             | 3,698                       | 100                     | 88      | 12          |
| 9,000-9,999.....                             | 3,451                       | 100                     | 90      | 9           |
| 10,000-10,999.....                           | 3,280                       | 100                     | 92      | 8           |
| 11,000-11,999.....                           | 2,250                       | 100                     | 91      | 8           |
| 12,000-12,999.....                           | 1,972                       | 100                     | 92      | 8           |
| 13,000-13,999.....                           | 1,304                       | 100                     | 94      | 6           |
| 14,000-14,999.....                           | 1,000                       | 100                     | 94      | 6           |
| 15,000-19,999.....                           | 2,814                       | 100                     | 93      | 7           |
| 20,000-24,999.....                           | 779                         | 100                     | 91      | 9           |
| 25,000 or more.....                          | 864                         | 100                     | 92      | 8           |
| <i>Men</i>                                   |                             |                         |         |             |
| Total 2.....                                 | 39,425                      | 100                     | 80      | 19          |
| \$1-4,999.....                               | 3,183                       | 100                     | 61      | 38          |
| 5,000-5,999.....                             | 1,933                       | 100                     | 75      | 24          |
| 6,000-6,999.....                             | 2,384                       | 100                     | 82      | 18          |
| 7,000-7,999.....                             | 3,079                       | 100                     | 86      | 13          |
| 8,000-8,999.....                             | 2,825                       | 100                     | 91      | 9           |
| 9,000-9,999.....                             | 2,917                       | 100                     | 91      | 8           |
| 10,000-10,999.....                           | 2,874                       | 100                     | 93      | 7           |
| 11,000-11,999.....                           | 2,001                       | 100                     | 92      | 8           |
| 12,000-12,999.....                           | 1,802                       | 100                     | 93      | 7           |
| 13,000-13,999.....                           | 1,226                       | 100                     | 94      | 6           |
| 14,000-14,999.....                           | 924                         | 100                     | 94      | 6           |
| 15,000-19,999.....                           | 2,719                       | 100                     | 93      | 7           |
| 20,000-24,999.....                           | 753                         | 100                     | 92      | 7           |
| 25,000 or more.....                          | 844                         | 100                     | 92      | 8           |
| <i>Women</i>                                 |                             |                         |         |             |
| Total 2.....                                 | 20,184                      | 100                     | 64      | 36          |
| \$1-4,999.....                               | 5,852                       | 100                     | 59      | 41          |
| 5,000-5,999.....                             | 2,232                       | 100                     | 77      | 23          |
| 6,000-6,999.....                             | 1,763                       | 100                     | 78      | 22          |
| 7,000-7,999.....                             | 1,393                       | 100                     | 82      | 18          |
| 8,000-8,999.....                             | 873                         | 100                     | 79      | 21          |
| 9,000-9,999.....                             | 533                         | 100                     | 85      | 14          |
| 10,000 or more.....                          | 1,119                       | 100                     | 84      | 16          |

See footnotes at end of table.

TABLE 6.—Percentage distribution of all full-time wage and salary workers and of full-time workers in private industry and government, by group health insurance status and annual wage or salary income in 1971, April 1972—Continued

| Annual wage or salary income in 1971 | Total number (in thousands) | Percentage distribution |         |             |
|--------------------------------------|-----------------------------|-------------------------|---------|-------------|
|                                      |                             | Total 1                 | Covered | Not covered |
| <i>Workers in private industry</i>   |                             |                         |         |             |
| Total 2.....                         | 48,178                      | 100                     | 79      | 20          |
| \$1-4,999.....                       | 7,784                       | 100                     | 59      | 41          |
| 5,000-5,999.....                     | 3,502                       | 100                     | 76      | 23          |
| 6,000-6,999.....                     | 3,305                       | 100                     | 81      | 19          |
| 7,000-7,999.....                     | 3,457                       | 100                     | 85      | 14          |
| 8,000-8,999.....                     | 2,704                       | 100                     | 89      | 10          |
| 9,000-9,999.....                     | 2,610                       | 100                     | 91      | 8           |
| 10,000-10,999.....                   | 2,385                       | 100                     | 91      | 9           |
| 11,000-11,999.....                   | 1,714                       | 100                     | 91      | 9           |
| 12,000-12,999.....                   | 1,519                       | 100                     | 92      | 8           |
| 13,000-13,999.....                   | 990                         | 100                     | 96      | 4           |
| 14,000-14,999.....                   | 710                         | 100                     | 93      | 7           |
| 15,000-19,999.....                   | 2,190                       | 100                     | 92      | 8           |
| 20,000-24,999.....                   | 626                         | 100                     | 91      | 9           |
| 25,000 or more.....                  | 719                         | 100                     | 90      | 10          |
| <i>Men</i>                           |                             |                         |         |             |
| Total 2.....                         | 32,708                      | 100                     | 74      | 25          |
| \$1-4,999.....                       | 2,759                       | 100                     | 59      | 41          |
| 5,000-5,999.....                     | 1,641                       | 100                     | 75      | 24          |
| 6,000-6,999.....                     | 2,015                       | 100                     | 82      | 17          |
| 7,000-7,999.....                     | 2,596                       | 100                     | 86      | 14          |
| 8,000-8,999.....                     | 2,261                       | 100                     | 91      | 9           |
| 9,000-9,999.....                     | 2,315                       | 100                     | 91      | 8           |
| 10,000-10,999.....                   | 2,202                       | 100                     | 92      | 8           |
| 11,000-11,999.....                   | 1,622                       | 100                     | 92      | 8           |
| 12,000-12,999.....                   | 1,428                       | 100                     | 93      | 7           |
| 13,000-13,999.....                   | 965                         | 100                     | 96      | 4           |
| 14,000-14,999.....                   | 690                         | 100                     | 93      | 7           |
| 15,000-19,999.....                   | 2,134                       | 100                     | 92      | 7           |
| 20,000-24,999.....                   | 614                         | 100                     | 92      | 8           |
| 25,000 or more.....                  | 713                         | 100                     | 90      | 10          |
| <i>Women</i>                         |                             |                         |         |             |
| Total 2.....                         | 15,470                      | 100                     | 62      | 37          |
| \$1-4,999.....                       | 5,025                       | 100                     | 59      | 41          |
| 5,000-5,999.....                     | 1,861                       | 100                     | 78      | 22          |
| 6,000-6,999.....                     | 1,291                       | 100                     | 80      | 20          |
| 7,000-7,999.....                     | 832                         | 100                     | 84      | 15          |
| 8,000-8,999.....                     | 443                         | 100                     | 83      | 17          |
| 9,000-9,999.....                     | 294                         | 100                     | 92      | 8           |
| 10,000 or more.....                  | 483                         | 100                     | 81      | 19          |

See footnotes at end of table.

group. A high fraction of the single men without coverage, for example, were under age 30 (and perhaps they were not interested in health insurance protection or had coverage through a family policy). On the other end of the distribution are those single persons aged 65 or over. A fourth of the single women were aged 65 or over and had Medicare coverage available.

It is to be expected that the proportion of workers with health insurance coverage would vary similarly by type of worker and by marital status, but generally such was not the case. Coverage of men who were government workers did not differ significantly by marital status. A sig-

TABLE 6.—Percentage distribution of all full-time wage and salary workers and of full-time workers in private industry and government, by group health insurance status and annual wage or salary income in 1971, April 1972—Continued

| Annual wage or salary income in 1971 | Total number (in thousands) | Percentage distribution |         |             |
|--------------------------------------|-----------------------------|-------------------------|---------|-------------|
|                                      |                             | Total <sup>1</sup>      | Covered | Not covered |
| <i>Workers in government</i>         |                             |                         |         |             |
| Total <sup>2</sup> .....             | 11,431                      | 100                     | 80      | 19          |
| \$1-4,999.....                       | 1,251                       | 100                     | 65      | 35          |
| 5,000-5,999.....                     | 662                         | 100                     | 72      | 28          |
| 6,000-6,999.....                     | 841                         | 100                     | 77      | 23          |
| 7,000-7,999.....                     | 1,016                       | 100                     | 84      | 16          |
| 8,000-8,999.....                     | 994                         | 100                     | 84      | 16          |
| 9,000-9,999.....                     | 841                         | 100                     | 88      | 12          |
| 10,000-10,999.....                   | 895                         | 100                     | 93      | 7           |
| 11,000-11,999.....                   | 537                         | 100                     | 92      | 7           |
| 12,000-12,999.....                   | 453                         | 100                     | 91      | 8           |
| 13,000-13,999.....                   | 314                         | 100                     | 90      | 10          |
| 14,000-14,999.....                   | 290                         | 100                     | 96      | 4           |
| 15,000-19,999.....                   | 624                         | 100                     | 94      | 5           |
| 20,000 or more.....                  | 299                         | 100                     | 96      | 4           |
| <i>Men</i>                           |                             |                         |         |             |
| Total <sup>2</sup> .....             | 6,717                       | 100                     | 88      | 12          |
| \$1-4,999.....                       | 423                         | 100                     | 78      | 22          |
| 5,000-5,999.....                     | 291                         | 100                     | 73      | 27          |
| 6,000-6,999.....                     | 368                         | 100                     | 81      | 19          |
| 7,000-7,999.....                     | 484                         | 100                     | 91      | 9           |
| 8,000-8,999.....                     | 564                         | 100                     | 90      | 8           |
| 9,000-9,999.....                     | 602                         | 100                     | 92      | 8           |
| 10,000-10,999.....                   | 672                         | 100                     | 95      | 5           |
| 11,000-11,999.....                   | 379                         | 100                     | 96      | 4           |
| 12,000-12,999.....                   | 374                         | 100                     | 94      | 5           |
| 13,000-13,999.....                   | 260                         | 100                     | 89      | 11          |
| 14,000-14,999.....                   | 233                         | 100                     | 99      | 1           |
| 15,000-19,999.....                   | 585                         | 100                     | 94      | 6           |
| 20,000 or more.....                  | 271                         | 100                     | 97      | 3           |
| <i>Women</i>                         |                             |                         |         |             |
| Total <sup>2</sup> .....             | 4,714                       | 100                     | 70      | 30          |
| \$1-4,999.....                       | 827                         | 100                     | 58      | 41          |
| 5,000-5,999.....                     | 371                         | 100                     | 71      | 29          |
| 6,000-6,999.....                     | 472                         | 100                     | 74      | 26          |
| 7,000-7,999.....                     | 532                         | 100                     | 78      | 22          |
| 8,000-8,999.....                     | 430                         | 100                     | 75      | 25          |
| 9,000-9,999.....                     | 239                         | 100                     | 77      | 22          |
| 10,000 or more.....                  | 637                         | 100                     | 86      | 13          |

<sup>1</sup> Includes nonresponse, not shown separately.

<sup>2</sup> Includes all workers reporting in the survey. Excluded elsewhere are (a) persons with less than 1 year of employment in their current job (since the income figures do not relate to current job), (b) persons with no earnings in 1971, and (c) those for which a match to the March CPS record could not be made.

nificantly higher proportion of single women in government than in private industry had coverage.

### Geographic Area

Group health insurance was more likely to be provided to workers residing in the heavily industrialized Northeast and North Central States and the West than to those in the South. Health insurance coverage ranged from 65 percent in the South to 75 percent in the Northeast (table 9). The disparity in group health insurance protection by geographic area was particularly great

among men: in the Northeast, 79 percent had protection, compared with 68 percent in the South.

TABLE 7.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and race, April 1972

| Race                               | Total number (in thousands) | Percentage distribution |         |             |
|------------------------------------|-----------------------------|-------------------------|---------|-------------|
|                                    |                             | Total <sup>1</sup>      | Covered | Not covered |
| <i>All full-time workers</i>       |                             |                         |         |             |
| Total.....                         | 65,527                      | 100                     | 70      | 29          |
| White.....                         | 58,577                      | 100                     | 71      | 29          |
| All other races.....               | 6,950                       | 100                     | 65      | 34          |
| <i>Men</i>                         |                             |                         |         |             |
| Total.....                         | 44,206                      | 100                     | 74      | 25          |
| White.....                         | 39,049                      | 100                     | 75      | 25          |
| All other races.....               | 4,257                       | 100                     | 70      | 28          |
| <i>Women</i>                       |                             |                         |         |             |
| Total.....                         | 21,321                      | 100                     | 61      | 38          |
| White.....                         | 18,628                      | 100                     | 62      | 37          |
| All other races.....               | 2,693                       | 100                     | 55      | 44          |
| <i>Workers in private industry</i> |                             |                         |         |             |
| Total.....                         | 48,178                      | 100                     | 74      | 26          |
| White.....                         | 43,218                      | 100                     | 75      | 25          |
| All other races.....               | 4,959                       | 100                     | 64      | 34          |
| <i>Men</i>                         |                             |                         |         |             |
| Total.....                         | 32,708                      | 100                     | 79      | 20          |
| White.....                         | 29,580                      | 100                     | 80      | 20          |
| All other races.....               | 3,128                       | 100                     | 70      | 28          |
| <i>Women</i>                       |                             |                         |         |             |
| Total.....                         | 15,470                      | 100                     | 62      | 37          |
| White.....                         | 13,638                      | 100                     | 63      | 36          |
| All other races.....               | 1,831                       | 100                     | 54      | 46          |
| <i>Workers in government</i>       |                             |                         |         |             |
| Total.....                         | 11,431                      | 100                     | 80      | 19          |
| White.....                         | 9,770                       | 100                     | 82      | 18          |
| All other races.....               | 1,661                       | 100                     | 72      | 28          |
| <i>Men</i>                         |                             |                         |         |             |
| Total.....                         | 6,717                       | 100                     | 88      | 12          |
| White.....                         | 5,863                       | 100                     | 89      | 11          |
| All other races.....               | 854                         | 100                     | 82      | 17          |
| <i>Women</i>                       |                             |                         |         |             |
| Total.....                         | 4,714                       | 100                     | 70      | 30          |
| White.....                         | 3,907                       | 100                     | 72      | 28          |
| All other races.....               | 807                         | 100                     | 60      | 39          |

<sup>1</sup> Includes nonresponse, not shown separately.

Some of the regional differences can be explained by variations in types of employment in the regions. Group coverage was lowest, as has been noted, for agricultural workers and the self-employed—many of whom are in the South. Even when these workers are excluded from the data, the pattern of regional variation still generally prevails, with the South having the lowest coverage figure.

Although rates were higher for government employees than for private industry employees, region by region, the differences were especially great in the Northeast and the West. Differences

TABLE 8—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and marital status, April 1972

| Marital status                     | Total number (in thousands) | Percentage distribution |         |             |
|------------------------------------|-----------------------------|-------------------------|---------|-------------|
|                                    |                             | Total                   | Covered | Not covered |
| <b>All full-time workers</b>       |                             |                         |         |             |
| Total                              |                             |                         |         |             |
| Total.....                         | 65,527                      | 100                     | 70      | 29          |
| Married <sup>2</sup> .....         | 50,916                      | 100                     | 71      | 28          |
| Widowed or divorced.....           | 5,187                       | 100                     | 68      | 32          |
| Never married.....                 | 9,444                       | 100                     | 66      | 33          |
| Men                                |                             |                         |         |             |
| Total.....                         | 44,206                      | 100                     | 74      | 25          |
| Married <sup>2</sup> .....         | 37,194                      | 100                     | 76      | 23          |
| Widowed or divorced.....           | 1,584                       | 100                     | 69      | 30          |
| Never married.....                 | 5,428                       | 100                     | 63      | 35          |
| Women                              |                             |                         |         |             |
| Total.....                         | 21,321                      | 100                     | 61      | 38          |
| Married <sup>2</sup> .....         | 13,722                      | 100                     | 57      | 42          |
| Widowed or divorced.....           | 3,583                       | 100                     | 67      | 32          |
| Never married.....                 | 4,016                       | 100                     | 70      | 29          |
| <b>Workers in private industry</b> |                             |                         |         |             |
| Total                              |                             |                         |         |             |
| Total.....                         | 48,178                      | 100                     | 74      | 26          |
| Married <sup>2</sup> .....         | 36,767                      | 100                     | 76      | 23          |
| Widowed or divorced.....           | 3,877                       | 100                     | 67      | 32          |
| Never married.....                 | 7,534                       | 100                     | 65      | 34          |
| Men                                |                             |                         |         |             |
| Total.....                         | 32,708                      | 100                     | 79      | 20          |
| Married <sup>2</sup> .....         | 27,173                      | 100                     | 81      | 18          |
| Widowed or divorced.....           | 1,147                       | 100                     | 73      | 26          |
| Never married.....                 | 4,388                       | 100                     | 64      | 35          |
| Women                              |                             |                         |         |             |
| Total.....                         | 15,470                      | 100                     | 62      | 37          |
| Married <sup>2</sup> .....         | 9,594                       | 100                     | 60      | 40          |
| Widowed or divorced.....           | 2,730                       | 100                     | 65      | 34          |
| Never married.....                 | 3,146                       | 100                     | 66      | 33          |

See footnotes at end of table.

TABLE 8—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and marital status, April 1972—Continued

| Marital status               | Total number (in thousands) | Percentage distribution |         |             |
|------------------------------|-----------------------------|-------------------------|---------|-------------|
|                              |                             | Total <sup>1</sup>      | Covered | Not covered |
| <b>Workers in government</b> |                             |                         |         |             |
| Total                        |                             |                         |         |             |
| Total.....                   | 11,431                      | 100                     | 80      | 19          |
| Married <sup>2</sup> .....   | 8,931                       | 100                     | 79      | 21          |
| Widowed or divorced.....     | 958                         | 100                     | 87      | 13          |
| Never married.....           | 1,542                       | 100                     | 84      | 15          |
| Men                          |                             |                         |         |             |
| Total.....                   | 6,717                       | 100                     | 88      | 12          |
| Married <sup>2</sup> .....   | 5,736                       | 100                     | 88      | 11          |
| Widowed or divorced.....     | 276                         | 100                     | 86      | 14          |
| Never married.....           | 705                         | 100                     | 85      | 15          |
| Women                        |                             |                         |         |             |
| Total.....                   | 4,714                       | 100                     | 70      | 30          |
| Married <sup>2</sup> .....   | 3,195                       | 100                     | 62      | 37          |
| Widowed or divorced.....     | 682                         | 100                     | 87      | 13          |
| Never married.....           | 837                         | 100                     | 84      | 15          |

<sup>1</sup> Includes nonresponse, not shown separately.

<sup>2</sup> Includes married persons with spouse absent

in coverage rates for men and women were consistent among regions and type of worker (private industry or government).

### Size of Firm

Many employees currently not in the group health insurance system work in medium-size and small establishments in private industry. This survey shows, for example, that 3 out of 5 workers not in health plans worked in establishments with fewer than 25 workers. Although the survey data must be considered somewhat weak in this regard,<sup>6</sup> the data show a pattern consistent with data from other sources—small establishments, typically not unionized, with low wage rates, are less likely to provide such benefits as group health insurance as well as other types of benefits.<sup>7</sup> Furthermore, general underwriting practice

<sup>6</sup> The respondent was simply asked to check a box best describing the size of the firm or establishment in which he was working: less than 25 employees, 25-99 employees, or 100 or more employees.

<sup>7</sup> See Emerson Beier, "Incidence of Private Retirement Plans," *Monthly Labor Review*, July 1971, and Donald Bell, "Incidence of Private Retirement Plans in Manufacturing, 1968-70," *Monthly Labor Review*, September 1973.

and State laws tend to make it difficult to extend coverage to small groups.

According to the survey data, half the workers in establishments with fewer than 25 persons were in group health plans (table 10). The ratio rose to 90 percent for those in establishments employing 100 or more persons. Consistent with previous detailed data, women were far less likely to be in health plans than men, regardless of establishment size.

TABLE 9.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and geographic area, April 1972

| Geographic area                    | Total number (in thousands) | Percentage distribution |         |             |
|------------------------------------|-----------------------------|-------------------------|---------|-------------|
|                                    |                             | Total <sup>1</sup>      | Covered | Not covered |
| <b>All full-time workers</b>       |                             |                         |         |             |
| <b>Total</b>                       |                             |                         |         |             |
| Total.....                         | 65,527                      | 100                     | 70      | 29          |
| Northeast.....                     | 15,433                      | 100                     | 75      | 25          |
| North Central.....                 | 18,324                      | 100                     | 72      | 28          |
| South.....                         | 20,681                      | 100                     | 65      | 35          |
| West.....                          | 11,090                      | 100                     | 71      | 28          |
| <b>Men</b>                         |                             |                         |         |             |
| Total.....                         | 44,206                      | 100                     | 74      | 25          |
| Northeast.....                     | 10,527                      | 100                     | 79      | 20          |
| North Central.....                 | 12,527                      | 100                     | 77      | 23          |
| South.....                         | 13,597                      | 100                     | 68      | 31          |
| West.....                          | 7,555                       | 100                     | 76      | 24          |
| <b>Women</b>                       |                             |                         |         |             |
| Total.....                         | 21,321                      | 100                     | 61      | 38          |
| Northeast.....                     | 4,906                       | 100                     | 66      | 33          |
| North Central.....                 | 5,797                       | 100                     | 62      | 37          |
| South.....                         | 7,083                       | 100                     | 58      | 42          |
| West.....                          | 3,535                       | 100                     | 61      | 39          |
| <b>Workers in private industry</b> |                             |                         |         |             |
| <b>Total</b>                       |                             |                         |         |             |
| Total.....                         | 48,178                      | 100                     | 74      | 26          |
| Northeast.....                     | 11,943                      | 100                     | 75      | 24          |
| North Central.....                 | 13,396                      | 100                     | 79      | 21          |
| South.....                         | 14,939                      | 100                     | 68      | 31          |
| West.....                          | 7,900                       | 100                     | 72      | 27          |
| <b>Men</b>                         |                             |                         |         |             |
| Total.....                         | 32,708                      | 100                     | 79      | 20          |
| Northeast.....                     | 8,163                       | 100                     | 80      | 19          |
| North Central.....                 | 9,169                       | 100                     | 85      | 15          |
| South.....                         | 9,907                       | 100                     | 72      | 27          |
| West.....                          | 5,468                       | 100                     | 78      | 21          |
| <b>Women</b>                       |                             |                         |         |             |
| Total.....                         | 15,470                      | 100                     | 62      | 37          |
| Northeast.....                     | 3,780                       | 100                     | 65      | 34          |
| North Central.....                 | 4,227                       | 100                     | 64      | 35          |
| South.....                         | 5,032                       | 100                     | 60      | 40          |
| West.....                          | 2,432                       | 100                     | 59      | 41          |

See footnote at end of table

TABLE 9.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and geographic area, April 1972—Continued

| Geographic area              | Total number (in thousands) | Percentage distribution |         |             |
|------------------------------|-----------------------------|-------------------------|---------|-------------|
|                              |                             | Total <sup>1</sup>      | Covered | Not covered |
| <b>Workers in government</b> |                             |                         |         |             |
| <b>Total</b>                 |                             |                         |         |             |
| Total.....                   | 11,431                      | 100                     | 80      | 19          |
| Northeast.....               | 2,563                       | 100                     | 88      | 11          |
| North Central.....           | 2,800                       | 100                     | 81      | 18          |
| South.....                   | 3,823                       | 100                     | 72      | 27          |
| West.....                    | 2,245                       | 100                     | 84      | 16          |
| <b>Men</b>                   |                             |                         |         |             |
| Total.....                   | 6,717                       | 100                     | 88      | 12          |
| Northeast.....               | 1,616                       | 100                     | 94      | 6           |
| North Central.....           | 1,605                       | 100                     | 89      | 10          |
| South.....                   | 2,182                       | 100                     | 80      | 19          |
| West.....                    | 1,344                       | 100                     | 90      | 9           |
| <b>Women</b>                 |                             |                         |         |             |
| Total.....                   | 4,714                       | 100                     | 70      | 30          |
| Northeast.....               | 947                         | 100                     | 79      | 21          |
| North Central.....           | 1,195                       | 100                     | 70      | 29          |
| South.....                   | 1,671                       | 100                     | 62      | 38          |
| West.....                    | 901                         | 100                     | 75      | 25          |

<sup>1</sup> Includes nonresponse, not shown separately.

### Length of Employment

Group health insurance plans frequently have eligibility requirements or probationary periods for a new employee to participate in the plan. These restrictions are imposed for a number of reasons, including underwriting and administrative considerations. Where such conditions are found, the periods most frequently imposed are from 1 to 6 months of employment, but rarely longer. As a result, group health insurance coverage varies by duration of employment on the present job.

The survey shows that the highest rates of group health insurance coverage were for workers with 1 year or more of employment. Among those with less than a year of work on their present job in 1972, table 11 shows a fairly consistent pattern of growth in the coverage rate as months on the job increased—from 47 percent for men on the job less than 3 months to 67–71 percent for those on the job for 6–11 months. The latter figure is somewhat lower, but not substantially, than that for men who held their jobs 1 year or more—76 percent.

Similarly, among women the coverage rate was

TABLE 10—Percentage distribution of full-time wage and salary workers in private industry, by group health insurance status and size of firm, April 1972

| Size of firm             | Total number<br>(in thousands) | Percentage distribution by coverage status |         |             | Percentage distribution by size of firm |         |             |
|--------------------------|--------------------------------|--|---------|-------------|---|---------|-------------|
|                          |                                | Total <sup>1</sup>                         | Covered | Not covered | Total <sup>1</sup>                      | Covered | Not covered |
| <b>Total</b>             |                                |  |         |             |   |         |             |
| Total.....               | 48,178                         | 100  | 74      | 26          | 100                                     | 100     | 100         |
| Under 25 persons.....    | 14,860                         | 100  | 50      | 50          | 31                                      | 21      | 60          |
| 25-99 persons.....       | 8,958                          | 100  | 77      | 23          | 19                                      | 19      | 17          |
| 100 persons or more..... | 22,524                         | 100  | 90      | 10          | 47                                      | 57      | 18          |
| No response.....         | 1,835                          | 100  | 48      | 41          | 4                                       | 2       | 6           |
| <b>Men</b>               |                                |  |         |             |   |         |             |
| Total.....               | 32,708                         | 100  | 79      | 20          | 100                                     | 100     | 100         |
| Under 25 persons.....    | 9,816                          | 100  | 56      | 43          | 30                                      | 21      | 63          |
| 25-99 persons.....       | 6,058                          | 100  | 83      | 17          | 19                                      | 20      | 15          |
| 100 persons or more..... | 15,532                         | 100  | 93      | 6           | 48                                      | 56      | 14          |
| No response.....         | 1,282                          | 100  | 52      | 36          | 4                                       | 3       | 7           |
| <b>Women</b>             |                                |  |         |             |   |         |             |
| Total.....               | 15,470                         | 100  | 62      | 37          | 100                                     | 100     | 100         |
| Under 25 persons.....    | 5,044                          | 100  | 37      | 63          | 33                                      | 19      | 55          |
| 25-99 persons.....       | 2,900                          | 100  | 64      | 36          | 19                                      | 19      | 18          |
| 100 persons or more..... | 6,073                          | 100  | 82      | 18          | 45                                      | 59      | 22          |
| No response.....         | 553                            | 100  | 39      | 52          | 4                                       | 2       | 5           |

<sup>1</sup> Includes nonresponse, not shown separately.

extremely low for those employed for less than 3 months (34 percent) and rose to 54-55 percent for those with 6-11 months of employment. These rates were significantly lower than the overall rate of 67 percent for women with 1 or more years of employment.

Women had a shorter average length of employment than men—78 percent of the women, compared with 85 percent for men, had 1 year or more of employment. Part of the lower group health insurance coverage for women, then, can be accounted for by the fact that a higher proportion of women were in the category with less than 1 year of service, where membership requirements could play a role in coverage and noncoverage. In each length-of-service category, however, a higher proportion of men had coverage, so membership requirements were not the sole factor explaining the difference in coverage.

Workers in private industry plans may be more frequently affected by participation requirements than those in government. When the all-workers category was studied with respect to months of employment, for example, generally a higher proportion of government workers with short service were participating in a plan than were private industry workers. Another factor explain-

ing the variation in aggregate coverage between government and private industry workers is that a higher proportion of government workers had more than 1 year of employment than those in private industry, although coverage rates—81 percent and 80 percent—were about the same for both groups.

With respect to the effect of length of service on health insurance coverage, a number of factors should be kept in mind. Among all workers, an unknown number who do not join a plan or are not included may have group coverage from another source. Furthermore, a respondent possibly could be unaware of health insurance coverage and might answer "no" to the survey question, particularly if he is a new employee. As a result, overall health insurance coverage could be understated, particularly for workers with employment of less than 1 year.

#### SOME ASPECTS OF GROUP HEALTH INSURANCE

Several critical questions about group health insurance protection concern the type of protection provided, the financing of benefits, and the provision of dependents' coverage. The survey was designed to provide general benchmarks

TABLE 11.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government, by group health insurance status and length of employment on present job, April 1972

| Length of employment<br>(in months) | Total<br>number<br>(in<br>thou-<br>sands) | Percentage distribution |         |                |
|-------------------------------------|---|-------------------------|---------|----------------|
|                                     |   | Total <sup>1</sup>      | Covered | Not<br>covered |
| <b>All full-time workers</b>        |   |                         |         |                |
| Total <sup>2</sup> .....            | 65,527                                    | 100                     | 70      | 29             |
| Less than 3.....                    | 2,885                                     | 100                     | 42      | 57             |
| 3 but less than 6.....              | 2,925                                     | 100                     | 50      | 49             |
| 6 but less than 9.....              | 3,122                                     | 100                     | 61      | 38             |
| 9 but less than 12.....             | 1,830                                     | 100                     | 64      | 35             |
| 12 or more.....                     | 51,615                                    | 100                     | 76      | 24             |
| <b>Men</b>                          |   |                         |         |                |
| Total <sup>2</sup> .....            | 44,206                                    | 100                     | 74      | 25             |
| Less than 3.....                    | 1,911                                     | 100                     | 47      | 53             |
| 3 but less than 6.....              | 1,671                                     | 100                     | 58      | 42             |
| 6 but less than 9.....              | 1,681                                     | 100                     | 67      | 32             |
| 9 but less than 12.....             | 1,059                                     | 100                     | 71      | 27             |
| 12 or more.....                     | 35,709                                    | 100                     | 76      | 23             |
| <b>Women</b>                        |   |                         |         |                |
| Total <sup>2</sup> .....            | 21,321                                    | 100                     | 61      | 38             |
| Less than 3.....                    | 976                                       | 100                     | 34      | 66             |
| 3 but less than 6.....              | 1,253                                     | 100                     | 41      | 58             |
| 6 but less than 9.....              | 1,442                                     | 100                     | 54      | 46             |
| 9 but less than 12.....             | 770                                       | 100                     | 55      | 45             |
| 12 or more.....                     | 15,907                                    | 100                     | 67      | 32             |
| <b>Workers in private industry</b>  |   |                         |         |                |
| Total <sup>2</sup> .....            | 48,178                                    | 100                     | 74      | 26             |
| Less than 3.....                    | 2,505                                     | 100                     | 41      | 59             |
| 3 but less than 6.....              | 2,432                                     | 100                     | 52      | 47             |
| 6 but less than 9.....              | 2,486                                     | 100                     | 62      | 37             |
| 9 but less than 12.....             | 1,480                                     | 100                     | 63      | 35             |
| 12 or more.....                     | 37,164                                    | 100                     | 80      | 19             |
| <b>Men</b>                          |   |                         |         |                |
| Total <sup>2</sup> .....            | 32,708                                    | 100                     | 79      | 20             |
| Less than 3.....                    | 1,696                                     | 100                     | 46      | 53             |
| 3 but less than 6.....              | 1,435                                     | 100                     | 59      | 41             |
| 6 but less than 9.....              | 1,385                                     | 100                     | 69      | 30             |
| 9 but less than 12.....             | 855                                       | 100                     | 71      | 26             |
| 12 or more.....                     | 25,911                                    | 100                     | 85      | 15             |
| <b>Women</b>                        |   |                         |         |                |
| Total <sup>2</sup> .....            | 15,470                                    | 100                     | 62      | 37             |
| Less than 3.....                    | 808                                       | 100                     | 32      | 67             |
| 3 but less than 6.....              | 997                                       | 100                     | 41      | 58             |
| 6 but less than 9.....              | 1,102                                     | 100                     | 54      | 46             |
| 9 but less than 12.....             | 614                                       | 100                     | 52      | 48             |
| 12 or more.....                     | 11,253                                    | 100                     | 70      | 30             |
| <b>Workers in government</b>        |   |                         |         |                |
| Total <sup>2</sup> .....            | 11,431                                    | 100                     | 80      | 19             |
| Less than 3.....                    | 258                                       | 100                     | 60      | 40             |
| 3 but less than 6.....              | 358                                       | 100                     | 53      | 47             |
| 6 but less than 9.....              | 515                                       | 100                     | 66      | 43             |
| 9 but less than 12.....             | 283                                       | 100                     | 78      | 22             |
| 12 or more.....                     | 9,665                                     | 100                     | 81      | 19             |

<sup>1</sup> Includes nonresponse, not shown separately

<sup>2</sup> Coverage totals include workers not responding on length of employment, not shown separately.

about such characteristics and the results from the survey are described below.

### Types of Protection Provided

The package of group health insurance provided to full-time workers varied by type of worker and by sex. For those included in group health insurance plans, hospital protection and surgical coverage were almost universally provided. Most workers reporting health insurance coverage had both hospital and surgical protection (table 12). Forty-eight percent of the workers with coverage had a fairly comprehensive package—hospital insurance, surgical insurance, and coverage for doctors' home and office visits. Another 48 percent had hospital and surgical protection. The remaining 4 percent had other combinations of benefits. For both men and women, government workers were more likely to have the broad package—hospital, surgical, and medical insurance—than were private industry workers. Among private industry workers, men were more likely than women to have the broad coverage, but there was not a significant difference for men and women with broad coverage in government jobs.

### Source of Financing

Employers made a significant contribution to the plans providing group health insurance to workers in 1972. In all, about a third of the workers were in noncontributory plans—that is, the employer paid the full cost of the premiums (table 13). Almost half the workers were in plans where the employer paid part of the cost; for 19 percent of the workers the employer paid at least half the cost; and for 18 percent of them the employer paid less than half (for 10 percent the portion paid was unknown). Relatively few workers were in group plans where they paid the entire cost.

The patterns of financing for private industry workers and for government workers differed, with the private industry employees more frequently in plans where the employer paid the entire or a substantial part of the cost of the plan. For government employees a substantial fraction—one-third—were in plans where the employee paid more than half the cost—a reflection

TABLE 12—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government with group health insurance coverage, by type of benefit, type of employment, and sex, April 1972

| Type of benefit                  | Total                 |         |                       |         |                       |         | Men                   |         |                       |         |                       |         | Women                 |         |                       |         |                       |         |
|----------------------------------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|
|                                  | Total                 |         | Private industry      |         | Government            |         | Total                 |         | Private industry      |         | Government            |         | Total                 |         | Private industry      |         | Government            |         |
|                                  | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent |
| Total.....                       | 45,973                | 100     | 35,415                | 100     | 9,180                 | 100     | 32,888                | 100     | 25,789                | 100     | 6,893                 | 100     | 13,085                | 100     | 9,626                 | 100     | 3,287                 | 100     |
| Hospital, surgical, medical..... | 22,125                | 48      | 16,614                | 47      | 4,835                 | 53      | 16,355                | 50      | 12,561                | 49      | 3,188                 | 54      | 5,770                 | 44      | 4,053                 | 42      | 1,647                 | 50      |
| Hospital and surgical.....       | 21,976                | 48      | 17,278                | 49      | 4,096                 | 45      | 15,236                | 46      | 12,186                | 47      | 2,534                 | 43      | 6,739                 | 52      | 5,092                 | 53      | 1,562                 | 48      |
| Other.....                       | 1,872                 | 4       | 1,523                 | 4       | 249                   | 2       | 1,297                 | 4       | 1,042                 | 4       | 171                   | 3       | 576                   | 4       | 481                   | 5       | 78                    | 2       |

of the inclusion of Federal employees in this group. Under the Federal employees' plan at the time of the survey, the Government's contribution was limited to a maximum of 40 percent of the average premium for high-option coverage.

The data indicate little difference in the proportion of employer contributions for men and women, except for government workers. Among this group, almost two-fifths of the men were in plans where the employer paid part but less than half the premium; for women, the fraction was one-fourth. This fact is accounted for chiefly by the higher proportion of men than women who are Federal employees.

### Coverage of Dependents

Including dependents within the scope of coverage in group health insurance has been a traditional feature of these plans. The survey data

show, however, that by no means are dependents included in all plans, even when a married person is involved. The reasons for lack of coverage of dependents may be related to plan terms or to the possibility that another person provides protection for dependents through his plan, etc. Such information was not obtainable from the survey.

Altogether, 73 percent of the workers with health insurance coverage had dependents protected under their plan (table 14). As expected, women were far less likely than men to have dependents included, mostly because a higher proportion of women were single.

Men and women differed greatly in dependents' protection, regardless of marital status. Although 90 percent of the married men had coverage including dependents, only 63 percent of the married women had this coverage. Both single men and single women had low rates for dependents' coverage, since there were no dependents in many

TABLE 13.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government with group health insurance coverage, by type of financing, type of employment, and sex, April 1972

| Type of financing       | Total                 |         |                       |         |                       |         | Men                   |         |                       |         |                       |                  | Women                 |         |                       |         |                       |         |
|-------------------------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|---------|-----------------------|------------------|-----------------------|---------|-----------------------|---------|-----------------------|---------|
|                         | Total                 |         | Private industry      |         | Government            |         | Total                 |         | Private industry      |         | Government            |                  | Total                 |         | Private industry      |         | Government            |         |
|                         | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent          | Number (in thousands) | Percent | Number (in thousands) | Percent | Number (in thousands) | Percent |
| Total.....              | 45,973                | 100     | 35,415                | 100     | 9,180                 | 100     | 32,888                | 100     | 25,789                | 100     | 5,893                 | 100              | 13,085                | 100     | 9,626                 | 100     | 3,287                 | 100     |
| Employer pays all.....  | 15,505                | 34      | 13,304                | 38      | 2,001                 | 22      | 10,729                | 33      | 9,475                 | 37      | 1,089                 | 18               | 4,775                 | 36      | 3,829                 | 40      | 912                   | 28      |
| Employer pays part..... |                       |         |                       |         |                       |         |                       |         |                       |         |                       |                  |                       |         |                       |         |                       |         |
| Less than half.....     | 8,171                 | 18      | 5,042                 | 14      | 3,037                 | 33      | 6,042                 | 18      | 3,686                 | 14      | 2,271                 | 39               | 2,129                 | 16      | 1,356                 | 14      | 766                   | 23      |
| Half or more.....       | 8,520                 | 19      | 6,750                 | 19      | 1,714                 | 19      | 6,142                 | 19      | 5,018                 | 19      | 1,077                 | 18               | 2,378                 | 18      | 1,731                 | 18      | 637                   | 19      |
| Portion unknown.....    | 4,774                 | 10      | 3,889                 | 11      | 826                   | 9       | 3,465                 | 11      | 2,891                 | 11      | 531                   | 9                | 1,308                 | 10      | 998                   | 10      | 294                   | 9       |
| Employee pays all.....  | 5,698                 | 12      | 3,668                 | 10      | 1,126                 | 12      | 4,142                 | 13      | 2,680                 | 10      | 657                   | 11               | 1,555                 | 12      | 988                   | 10      | 469                   | 14      |
| Don't know.....         | 2,975                 | 6       | 2,522                 | 7       | 419                   | 5       | 2,115                 | 6       | 1,847                 | 7       | 240                   | 4                | 861                   | 7       | 675                   | 7       | 179                   | 5       |
| No response.....        | 331                   | 1       | 240                   | 1       | 58                    | 1       | 253                   | 1       | 192                   | 1       | 28                    | ( <sup>1</sup> ) | 79                    | 1       | 48                    | 1       | 30                    | 1       |

<sup>1</sup> Less than .05 percent.



cases. The pattern of health coverage for dependents among private industry and government workers was approximately the same.

TABLE 14.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government with group health insurance coverage, by dependents' coverage and marital status, April 1972

| Marital status                     | Total number (in thousands) | Percentage distribution by dependents' coverage status |         |             |
|------------------------------------|-----------------------------|--|---------|-------------|
|                                    |                             | Total <sup>1</sup>                                     | Covered | Not covered |
| <b>All full-time workers</b>       |                             |  |         |             |
| Total.....                         | 45,973                      | 100  | 73      | 25          |
| Married <sup>2</sup> .....         | 36,226                      | 100  | 83      | 16          |
| Widowed or divorced.....           | 3,497                       | 100  | 48      | 50          |
| Never married.....                 | 6,250                       | 100  | 30      | 67          |
| <b>Men</b>                         |                             |  |         |             |
| Total.....                         | 32,888                      | 100  | 82      | 17          |
| Married <sup>2</sup> .....         | 28,347                      | 100  | 90      | 10          |
| Widowed or divorced.....           | 1,095                       | 100  | 56      | 43          |
| Never married.....                 | 3,445                       | 100  | 35      | 62          |
| <b>Women</b>                       |                             |  |         |             |
| Total.....                         | 13,085                      | 100  | 51      | 47          |
| Married <sup>2</sup> .....         | 7,878                       | 100  | 63      | 36          |
| Widowed or divorced.....           | 2,401                       | 100  | 44      | 53          |
| Never married.....                 | 2,805                       | 100  | 23      | 73          |
| <b>Workers in private industry</b> |                             |  |         |             |
| Total.....                         | 35,415                      | 100  | 74      | 25          |
| Married <sup>2</sup> .....         | 27,897                      | 100  | 84      | 15          |
| Widowed or divorced.....           | 2,616                       | 100  | 47      | 51          |
| Never married.....                 | 4,903                       | 100  | 30      | 67          |
| <b>Men</b>                         |                             |  |         |             |
| Total.....                         | 25,789                      | 100  | 81      | 18          |
| Married <sup>2</sup> .....         | 22,140                      | 100  | 89      | 10          |
| Widowed or divorced.....           | 842                         | 100  | 56      | 43          |
| Never married.....                 | 2,807                       | 100  | 35      | 62          |
| <b>Women</b>                       |                             |  |         |             |
| Total.....                         | 9,626                       | 100  | 51      | 47          |
| Married <sup>2</sup> .....         | 5,757                       | 100  | 63      | 36          |
| Widowed or divorced.....           | 1,774                       | 100  | 43      | 55          |
| Never married.....                 | 2,096                       | 100  | 24      | 73          |
| <b>Workers in government</b>       |                             |  |         |             |
| Total.....                         | 9,180                       | 100  | 71      | 28          |
| Married <sup>2</sup> .....         | 7,047                       | 100  | 81      | 19          |
| Widowed or divorced.....           | 831                         | 100  | 50      | 48          |
| Never married.....                 | 1,302                       | 100  | 29      | 68          |
| <b>Men</b>                         |                             |  |         |             |
| Total.....                         | 5,893                       | 100  | 81      | 18          |
| Married <sup>2</sup> .....         | 5,061                       | 100  | 88      | 11          |
| Widowed or divorced.....           | 237                         | 100  | 54      | 45          |
| Never married.....                 | 596                         | 100  | 36      | 60          |

See footnotes at end of table

TABLE 14.—Percentage distribution of all full-time workers and of full-time wage and salary workers in private industry and government with group health insurance coverage, by dependents' coverage and marital status, April 1972—Continued

| Marital status             | Total number (in thousands) | Percentage distribution by dependents' coverage status |         |             |
|----------------------------|-----------------------------|--|---------|-------------|
|                            |                             | Total <sup>1</sup>                                     | Covered | Not covered |
| <b>Women</b>               |                             |  |         |             |
| Total.....                 | 3,287                       | 100  | 51      | 47          |
| Married <sup>2</sup> ..... | 1,987                       | 100  | 61      | 37          |
| Widowed or divorced.....   | 593                         | 100  | 48      | 49          |
| Never married.....         | 707                         | 100  | 22      | 74          |

<sup>1</sup> Includes nonresponse, not shown separately

<sup>2</sup> Includes married persons with spouse absent

## Technical Note

The estimates presented here are based on data from a special April 1972 survey of group health insurance and pension plan coverage of full-time workers aged 16 and over in the U.S. civilian labor force. Data collection was conducted by the Bureau of the Census and included half of the sample of households in the April 1972 Current Population Survey (CPS).<sup>3</sup>

The estimates of group health insurance plan coverage are limited to persons aged 16 and over, working 35 hours or more during the survey week at a job in private industry or with a full-time job but not at work full time during that week because of vacation, illness, etc. These estimates exclude persons belonging to health insurance plans who, during the survey week, were employed part-time, unemployed, or out of the labor force. Estimates also exclude persons with individual health insurance policies.

## Sampling Variability

Since the CPS estimates in this report are based on a sample, they may differ from the figures that would have been obtained from a complete census. As in other surveys, the results

<sup>3</sup> A fuller description of the sample design and the reliability of the estimates from the CPS is found in "Money Income in 1971 of Families and Persons in the United States," *Current Population Reports*, Series P-60, No. 85, page 16, and in the May 1972 issue of *Employment and Earnings* (Department of Labor), page 151.

here are also subject to errors of response and nonreporting.

The standard error measures the sampling variability of estimates—that is, the variations that occur by chance simply because a sample of the population rather than the population as a whole was surveyed. The chances are about 68 out of 100 that an estimate from the sample would differ by less than the standard error from the results based on the same procedures for the entire population. The chances are about 95 out of 100 that the differences would be less than twice the standard error.

*Estimated percentages.*—The standard error of an estimated percentage depends on the size of the percentage and on the size of its base. The accompanying table presents rough approximations of standard errors of estimated percentages for the survey. Linear interpolation applied to the base or to the percentage or both may be used to calculate the value of a standard error not specifically shown. For example:

In table 2, of the 2,253,000 men in the wholesale trade industry division, an estimated 77 percent have health insurance coverage. By interpolation from the table, the estimated standard error is approximately 1.5 percent. To calculate 95-percent confidence limits, the standard error is multiplied by 2. Therefore, the 95-percent confidence interval for men in wholesale trade with health insurance coverage is from 74 percent to 80 percent, and a conclusion that the percentage based on a complete count lies within a range computed in this way would be correct for roughly 95 percent of all possible samples.

When two percentages are compared to determine whether they differ by a statistically significant amount, the standard error of the difference can be approximated as the square root of the sum of the squares of the standard error of each of the percentages. For example:

The proportion of the men among the 2,253,000 men in the wholesale trade industry division with group health insurance is about 77 percent; the proportion of the 5,348,000 men in the retail trade industry with group health insurance is about 61 percent. The standard error for the first group is about 1.5 percent, and the standard error for the second group is approximately 1.0 percent.

The sum of the squares of the two standard errors is 3.25, and the square root (the standard error of the difference) is 1.8 percent. Since the estimated difference of sixteen percentage points is more than

Approximations of standard errors of estimated percentages of persons in sample

| Estimated percentages | Size of base (in thousands) |     |       |       |       |        |        |        |
|-----------------------|-----------------------------|-----|-------|-------|-------|--------|--------|--------|
|                       | 250                         | 500 | 1,000 | 2,500 | 5,000 | 10,000 | 25,000 | 50,000 |
| 2 or 98.....          | 1.4                         | 1.0 | 0.7   | 0.5   | 0.3   | 0.2    | 0.1    | 0.1    |
| 5 or 95.....          | 2.2                         | 1.5 | 1.1   | .7    | .5    | .3     | .2     | .2     |
| 10 or 90.....         | 3.0                         | 2.1 | 1.5   | .9    | .7    | .5     | .3     | .2     |
| 20 or 80.....         | 4.0                         | 2.8 | 2.0   | 1.3   | .9    | .6     | .4     | .3     |
| 25 or 75.....         | 4.4                         | 3.0 | 2.1   | 1.4   | 1.0   | .7     | .4     | .3     |
| 35 or 65.....         | 4.8                         | 3.3 | 2.3   | 1.5   | 1.0   | .7     | .5     | .3     |
| 50.....               | 5.0                         | 3.5 | 2.5   | 1.6   | 1.1   | .8     | .5     | .4     |

twice its standard error, the proportions of men with health coverage in the wholesale and retail trade industries can be said to differ significantly at the 95-percent confidence level.

### Response to Specific Questions

The interviewer or respondent was requested to check a “yes” or “no” box in answer to the question: “Are you presently covered by a group health insurance plan for employees where you now or did work?” The questionnaire specified that insurance that pays only for accidents or disability should not be reported. A respondent quite possibly could be unaware of his group health insurance coverage and answer “no” if he was a new employee or was in a multiemployer plan, particularly if no employee contribution was required. Available evidence from earlier studies indicates that reporting of group health insurance coverage, as well as other employee benefits—especially in entirely employer-financed plans—could be understated.

Errors in reporting the type of group health insurance protection should also be considered, since specific definitions were not included. If the answer to the question on health insurance coverage was “yes,” the respondent was asked whether or not the plan (or plans) pays for all or part of the cost of three specific types of health care: (1) hospital bills, (2) surgical bills, and (3) doctors’ bills for office visits or home calls (over and above any deductible). As has been seen from the data presented in the article, virtually all those with group health insurance reported coverage for hospital bills as well as surgical bills. This result is in line with findings of other studies. Lower reported coverage for home and office visits is also an expected result.

The answers on premium cost paid by the in-

dividual obviously would be subject to error, unless the individual specifically checked (as he was requested to do) the amount involved. The options available in answer to the question "What part of the premium cost of this plan do you pay (including payments deducted from your pay)," were: "All," "none," "less than half," "one-half or more," and "don't know." Seven percent of the respondents checked the "don't know"

box. Preliminary data on Federal employees included in the survey indicated a very good response for that group. In the Federal employees' plan the Government contribution is generally limited to 40 percent of the premium. The preliminary results indicate that most Federal employees checked the one-half or more box—that is, they correctly indicated the proportion they paid.

## Notes and Brief Reports

### Social Security Act Amendments, End of 1973

On December 21, 1973, Congress passed H. R. 11333 and sent it to the President. The bill amended the Social Security Act—primarily several provisions of the old-age, survivors, disability, and health insurance program and of the supplemental security income (SSI) program. President Nixon signed the bill on December 31, 1973, and it became Public Law 93-233.

### SUMMARY OF OASDHI AND SSI AMENDMENTS

#### Retirement, Survivor, and Disability Benefits

*Increase in monthly benefits.*—The amendments increase benefits (including the special payments made to certain people aged 72 and older) by 11 percent effective June 1974, with 7 percent of this amount payable for March 1974 through May 1974. The 7-percent increase effective for March represented a normal benefit conversion for all beneficiaries except widows and widowers whose benefit amount is limited because their deceased spouse received reduced benefits. The increase for these widows and widowers did not, however, differ significantly from what would be payable under a normal benefit conversion. The 11-percent increase effective for June will be a normal bene-

fit conversion for all beneficiaries, including widows and widowers. The effect of the increase in the law on the average monthly benefit currently payable is estimated in table 1.

*Increase in the special minimum benefit.*—Special minimum benefits were increased, effective for March 1974. The new law raises from \$8.50 to \$9 the amount payable for each year of coverage above 10 years and up to 30 years. Thus the highest special minimum is \$170 to \$180 for workers with 30 or more years of coverage.

*Automatic adjustment provisions.*—Under the revised law, the first possible automatic increase in benefits will be effective for June 1975 and will be based on the increase in the cost of living from the second quarter of 1974 through the first quar-

TABLE 1—Estimated effect of special benefit increases under P.L. 93-233 on average monthly benefit amounts in current-payment status, selected beneficiary groups<sup>1</sup>

| Beneficiary group  | Average monthly amount    |                          |                           |
|--|---------------------------|--------------------------|---------------------------|
|  | Before 7-percent increase | After 7-percent increase | After 11-percent increase |
| Average monthly family benefits  |                           |                          |                           |
| Retired worker alone (no dependents receiving benefits).....                   | \$162                     | \$174                    | \$181                     |
| Retired worker and aged wife, both receiving benefits.....                     | 277                       | 297                      | 310                       |
| Disabled worker alone (no dependents receiving benefits).....                  | 179                       | 191                      | 199                       |
| Disabled worker, wife, and 1 or more children.....                             | 364                       | 389                      | 404                       |
| Aged widow alone.....  | 158                       | 170                      | 177                       |
| Widowed mother and 2 children.....   | 391                       | 418                      | 435                       |
| Average monthly individual benefits  |                           |                          |                           |
| All retired workers (with or without dependents also receiving benefits).....  | 167                       | 179                      | 186                       |
| All disabled workers (with or without dependents also receiving benefits)..... | 184                       | 197                      | 206                       |

<sup>1</sup> Increase of 7 percent, payable for March 1974 through May 1974; 11-percent increase effective June 1974