

Comparing health insurance noncoverage rates among self-employed youths and their peers during Covid-19

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Spring 2021 Capstone Project

Research Questions

- How do health coverage rates vary by type of employment (self-employed vs. traditionally employed)
- How does age moderate this relationship?

Significance: The Rise of the Gig Economy & Self-Employment

- With the rise of the gig economy, self-employment is becoming a more common type of labor, especially among young people
 - “From 2010 to 2019, the share of gig workers in companies has increased from 14.2% to 16.4%, a 2.2 percentage point increase, or 15%” (Yildirmaz et al., 2020).
 - “Gig employees are more likely to be young, with 38% of 18- to 34-year-olds being part of the gig economy” (Edison Research, 2018).
- Demand for gig work has increased significantly during the Covid-19 pandemic
 - “When comparing the period Pre-COVID to the period during COVID, the average number of gigs completed per day during COVID was 24.94% higher” in Denver (GigSmart, 2020).

Significance: Health Insurance

- Those who work as *Uber* driver or deliver food through *Instacart*, *DoorDash* or *Grubhub* are not employees of the companies they work under; instead, they are “independent contractors”
 - Therefore, businesses in the gig economy do not need to provide health insurance, or any other benefits, to their contractors
 - Creates a loophole in the ACA, which mandates companies with more than 50 employees must provide health insurance to 95 percent of full-time employees or pay a fine to the IRS
 - “The rise of gig labor calls for new initiatives in social policy because it shifts more of the burden of economic risk onto workers even while removing gig workers from many of the employment-bound New-Deal-era social insurance programs.” (Friedman, 2014)

Significance: Age 26 and the ACA

- Under the Affordable Care Act, young adults cannot stay on their parents' health insurance plan once they turn 26 years old
- This provides a benchmark for “youths” vs. “adults” in terms of health coverage
 - 25 and under are “youths,” 26 and over are “adults”
- Are self-employed youths able to utilizing this clause in the ACA?

Hypotheses

- Self-employed workers have higher rates of noncoverage than traditionally employed workers
 - No employer or union to provide health insurance plans
 - ACA loophole
- Self-employed workers under age 26 have similar rates of noncoverage than self-employed workers 26 and over
 - Less wealthy, but also have ACA safety net

Data

- Research utilized data from phase 3, week 21 of the 2020 U.S Census Household Pulse Survey (9 Dec 2020 – 21 Dec 2020)
- Sample size: n=69,944
- Defining self- and traditional employment:

Are you employed by government, by a private company, a nonprofit organization, or were you self-employed or working in a family business? Select only one answer.

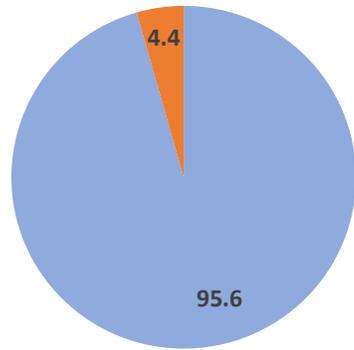
1. Government
2. Private company
3. Nonprofit organization
4. **Self-employed**
5. Working in a family business

Responses 1, 2, 3, and 5 were designated forms of “traditional employment”

UNIVARIATE ANALYSES

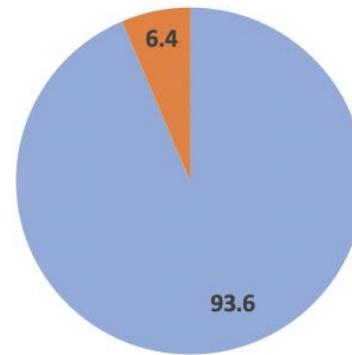
Variable	Percentage
<i>Independent Variables</i>	
Self-employed or traditionally employed? (n=40,372)	
Traditionally employed	87.1
Self-employed	12.9
Older than 25 years? (n=69,944)	
Above 25	95.6
25 or below	4.4
<i>Dependent Variable</i>	
Covered by health insurance? (n=69,944)	
covered	93.6
uncovered	6.4

Age



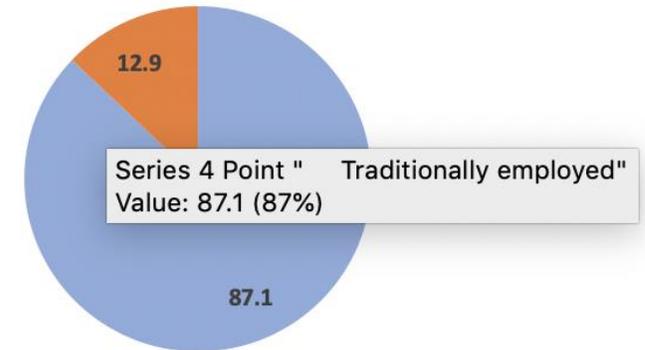
■ Above 25 ■ 25 or below

Health Coverage



■ covered ■ uncovered

Employment Type



■ Traditionally employed ■ Self-employed

UNIVARIATE ANALYSES

Table 2. Examining health coverage by type of employment

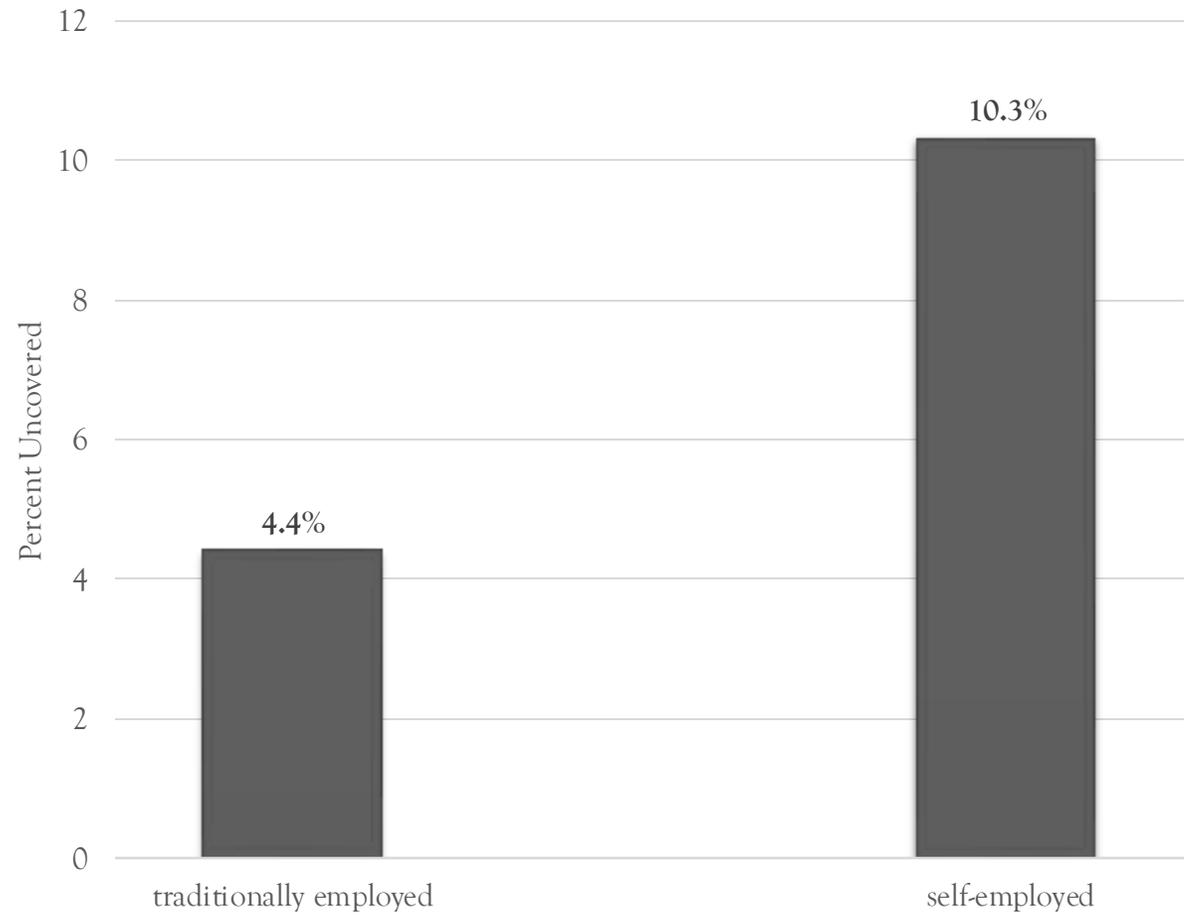
	Type of Employment	
Health Coverage	traditionally employed	self-employed
percent covered	95.6	89.7
percent uncovered	4.4	10.3

Bivariate Analysis

- The self-employed are 2.45 times more likely to lack health insurance
- $n=34,402$; $\text{chisquare}=273.196$; $\text{df}=1$; $p<.000$

Bivariate Analysis

Variance of Health Coverage by Type of Employment



Multivariate Analysis

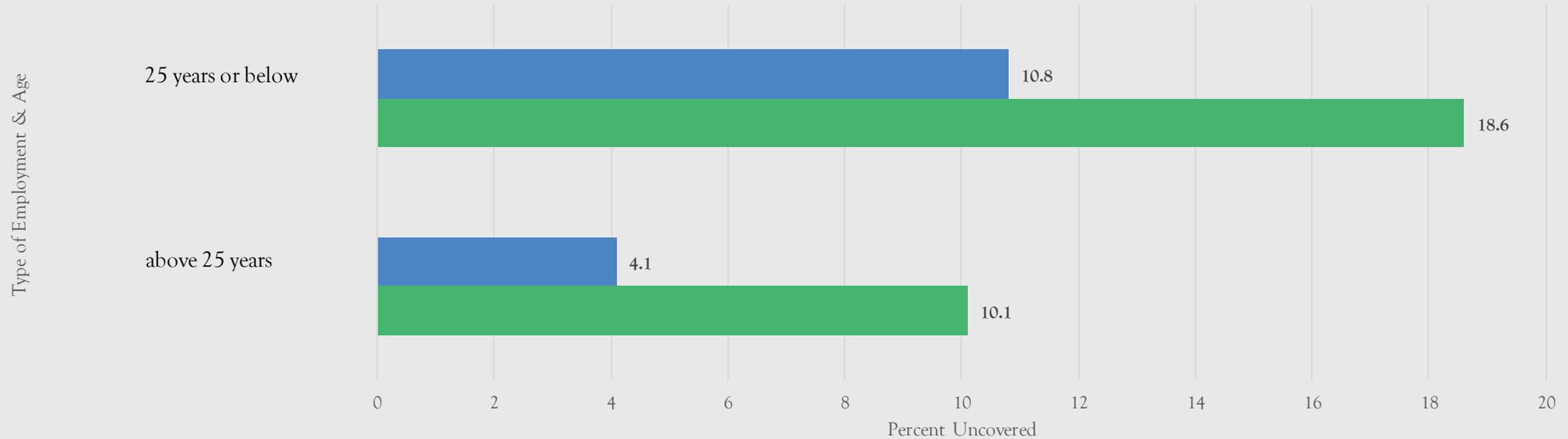
Table 3. Examining health coverage by type of employment and age

Health Coverage	Type of Employment	
Above 25 years (n=32,950)	self-employed	traditionally employed
percent covered	89.9	95.9
percent uncovered	10.1	4.1
25 years or below (n=1,452)		
percent covered	81.4	89.2
percent uncovered	18.6	10.8
n=34,402	Above 25 years: chisquare=303.599, df=1, p<.000	
	25 years or below: chisquare=5.914, df=1, p=.025	

- Nearly one in five self-employed youths lacks health coverage during a pandemic

Multivariate Analysis

Health Coverage Variance by Type of Employment and Age



Legend: blue=traditionally employed; green=self-employed

Discussion & Implications

- The self-employed of all ages are 2.45 times more likely than the traditionally employed to lack health insurance coverage
- Self-employed adults fare similarly to traditionally employed youths in terms of health coverage, meaning youths overall tend to be worse off than adults overall
- Traditionally employed adults had the lowest levels of noncoverage (4.1%), while self-employed youths had the highest levels of noncoverage (18.6%), a factor of 4.54
- These problems are, from a policy perspective, rather easy to address
 - United Kingdom Supreme Court ruled gig companies must provide health insurance benefits to their workers on February 19, 2021

Limitations

- This study attempted to measure participants in the gig economy, but methodological limitations make a true measure of this group impossible using census data alone
 - Q: If self-employed, do you work as an independent contractor for any of the following companies?...
- Future research could directly measure and analyze the specific impact of the ACA on rates of health insurance noncoverage among self-employed youths
 - Q: If under 26, are you using your parent/guardian's health insurance plan?

References

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