

Title Slide: This study analyzes rates of health insurance coverage among self-employed youths, a growing demographic thanks to the rise of the gig economy and compares these coverage rates with other laborers.

Research Questions: Specifically, this analysis answers two questions. Firstly, how do health coverage rates vary based on an individual's type of employment. Secondly, how does age mediate this relationship?

Typically, individuals receive health insurance from their workplace via employers and unions. The Affordable Care Act (2010) mandates that companies with 50 or more employees must provide health insurance to at least 95 percent of their full-time employees or pay a fine to the IRS. This means that most traditionally employed Americans likely have health insurance. Self-employed laborers, however, often find it too difficult and too expensive to purchase health insurance on their own. Additionally, younger workers generally have lower incomes and fewer savings. This makes obtaining health insurance difficult if one works for an employer that is not obligated to provide them with health insurance. However, the Affordable Care Act provides a safety net for younger workers, which will be examined later.

The Rise of the Gig Economy: This subject has become increasingly important to study over the past decade. The gig economy has seen significant growth since gig companies became legitimate players in the American economy, growing 15 percent from 2010 to 2019. Gig workers are also more likely to be young; 38 percent of them are between the ages of 18 and 34 years old. In 2020 and 2021, it appears that gig work has grown even faster than in years past thanks to the Covid-19 pandemic, which incentivized many to utilize the contactless, socially distant services that gig companies provide.

Health Insurance: While gig work offers its employees a great deal of flexibility and independence in the workplace, it does not come without consequences. Although they work directly for a corporation, gig employees are classified by the companies they work for as "independent contractors." Therefore, gig companies can subvert the mandates made by the ACA: they do not have to provide health insurance to their employees *or* pay a fine to the IRS because gig workers are not technically the companies "employees." Exploitation of loopholes like this demand that researchers and policy makers study the problem in order to formulate solutions.

The ACA and Age 26: The Affordable Care Act allows persons under the age of 26 years old to remain on their parent or guardian's health insurance plan. Not only does this provide a benchmark for "adults" and "youths" in terms of health insurance policy, it also may provide an adequate safety net for youths who would otherwise remain uncovered.

Hypotheses: I hypothesized that self-employed laborers would have higher rates of health insurance noncoverage than those who were traditionally employed. Neither the ACA nor unions help these individuals attain health coverage, and they are left to their own devices. The increased cost and inconvenience of purchasing oneself a health insurance plan will lead to higher rates of noncoverage. I also hypothesized that self-employed youths would have similar rates of noncoverage as self-employed adults thanks to ACA protections.

Data: This project utilized U.S. Census data. Specifically, it analyzed responses given in phase three, week 21 of the U.S. Census Household Pulse Survey, which polled nearly 70,000 respondents in December of 2020. In addition to asking each respondent their birth year and health insurance status, it asked what sector of the economy they were employed in. Those who answered that they

were employed by the government, a private company, a nonprofit organization, or a family business were classified as “traditionally employed” since most of them have access to the traditional benefits associated with full-time labor. Those who answered self-employed remained in that category.

Univariate Analysis: Analyzing each of the focal variables showed that 4.4 percent of the respondents were below age 26, 6.4 percent were not covered under a health insurance plan, and 12.9 percent were self-employed.

Bivariate Analysis: Next, I examined how one’s type of employment affected their likelihood of being uncovered. Only 4.4 percent of traditionally employed laborers lacked health insurance, while 10.3 percent of the self-employed were uncovered. This means that a self-employed person is roughly 2.5 times more likely to lack health insurance.

Multivariate Analysis: Adding age into the equation produces even more striking disparities. Traditionally employed adults fared the best in terms of health noncoverage, with only 4.1 percent lacking health insurance. Self-employed youths, however, had a noncoverage rate of 18.6 percent, nearly one in five.

Discussion: Interestingly, traditionally employed youths fared similarly to self-employed adults, each with noncoverage rates of about 10 percent. This shows that youths, no matter their employment type, tend to lack health insurance. Self-employed youths had a very large noncoverage rate, which was 4.5 times larger than the noncoverage rate for traditionally employed adults.

Thankfully, these problems are fixable with legislation. Dramatic reforms like Medicare-for-all or a single-payer healthcare system would not only eliminate these discrepancies, but guarantee that all individuals have health insurance and render studies like these unnecessary. Still, less dramatic changes could solve this problem as well. For example, the United Kingdom Supreme Court ruled less than three months ago that gig companies must provide health insurance to their independent contractors.

Limitations: While this study attempted to measure gig workers by analyzing the demographic of self-employed youths, this is only a rough approximation of that workforce using census data. It should also be noted that not all gig workers are young, and not every self-employed youth is a member of the gig economy. The Affordable Care Act was also an important component of this study, but it can only measure how health coverage rates vary between individuals above and below age 25. It cannot definitively conclude that the ACA is being underutilized or reasonably speculate on why so many young workers are not being helped by this law.