Declining Health Insurance Coverage and Stagnant Incomes in Connecticut:
Latest Data from the American Community Survey [1]

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Introduction

This month, the US Census Bureau released 2017 data from the American Community Survey (ACS), the Census Bureau's most detailed look at income, health insurance, poverty, and other topics at the state and local level. We report on the ACS data for Connecticut, which suggest that progress for families in the state is eroding. With an ongoing state fiscal crisis and federal threats to the social safety net, conditions will likely worsen in 2018.

Main findings for 2017 include:

- An estimated 21,000 more people in the state lacked health insurance in 2017 compared to 2016, for an increase of 0.6 percentage points in the uninsured rate.[2]

- This is likely because budget cuts led to 11,000 parents losing access to HUSKY A (Medicaid for children, parents, and pregnant women) in the summer of 2016.[3]

- Between 2016 and 2017, median household income was stagnant.

- Black and Latino households continue to face barriers to economic equality, earning less than two-thirds of what White households earn. Although White households have seen their income rise to their pre-recession level when adjusted for inflation, Black and Latino households have not.

- Despite shrinking unemployment in Connecticut, neither poverty nor child poverty declined between 2016 and 2017 to a degree that was statistically significant. In contrast, both poverty and child poverty declined nationally.[4]

- Compared to White residents, Black residents are more than twice as likely to experience poverty, and Latino residents are over three times as likely.

Ensuring all children and families have what they need to thrive

Our success as a state depends on ensuring economic opportunity for everyone. Paying workers enough to make ends meet, having quality child care so they can go to work, being able to see a doctor and stay healthy—all of these things build economic security and thriving communities. Yet, too many Connecticut residents struggle due to low wages, lack of health insurance, lack of affordable childcare, and other barriers. Communities of color face these challenges most acutely, due to employment discrimination, our state's history of neighborhood redlining leading to housing and loan discrimination, an upside-down property tax system in which people of color pay higher rates, a segregated public-school system, and other manifestations of systemic racism.[5] [6]

Connecticut needs to do more to promote access to a healthy, successful, and economically viable future, such as:

- Increasing the minimum wage to $15/hour.
- Restoring the Earned Income Tax Credit to at least 30 percent of the national level.
- Passing paid family medical leave.
- Protecting our state's robust Medicaid program.
- Expanding the reach of cross-sector interventions to address the basic needs required for good health such as access to housing and food.

These actions would be first steps in ensuring that all children get a good start to life, regardless of where they live or their race, and that their parents are able to work to support them. Our state will be a better place when we all have the opportunity to build a better life for ourselves and our children.

More Connecticut residents lack health insurance

While more Connecticut residents have health insurance than the national average, fewer Connecticut residents had insurance in 2017 than in 2016.[7] This is a reversal of the positive trend in the state since implementation of the Affordable Care Act, which successively lowered the number of people lacking health insurance between 2009 and 2016. As of 2017, 5.5 percent of Connecticut residents lack health insurance, a 0.6 percentage point increase since 2016. This increase is six times larger than the increase in the national uninsured rate of 0.1 percent and suggests that an estimated 21,582 people in the state lost health insurance between 2016 and 2017.

Figure 1: Connecticut's increase in the rate of people with no health insurance coverage contradicts national trends
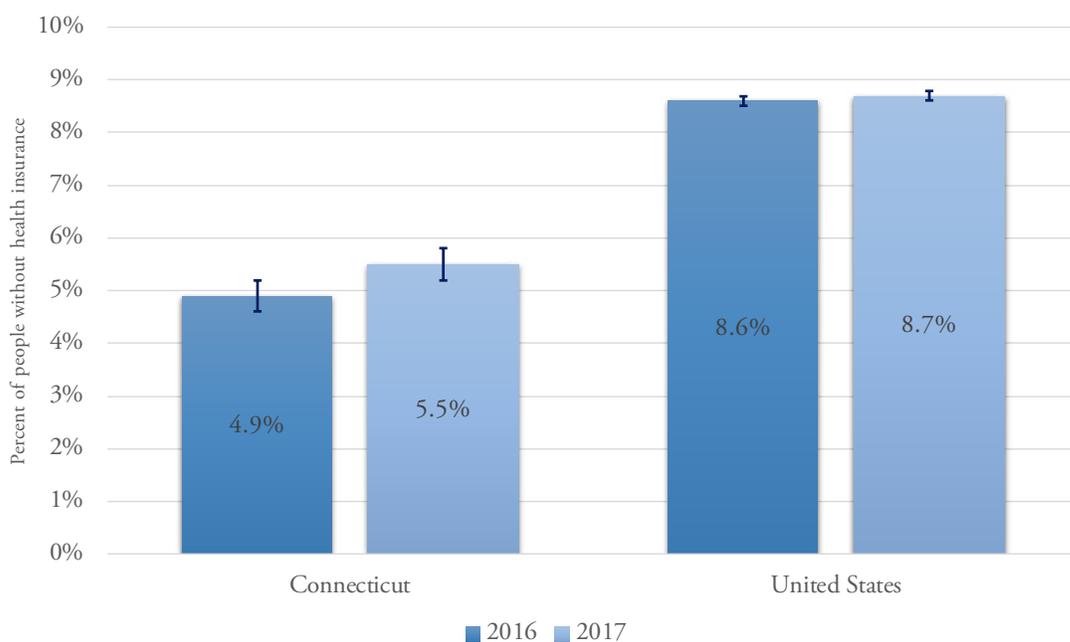
Source: Selected Characteristics of Health Insurance Coverage in the United States, American Community Survey 1-Year Estimates. Error bars represent 90% confidence intervals.

Black and Latino residents of Connecticut are less likely to have health insurance than White residents. As the uninsured rate decreased dramatically from 2009-2016, these racial disparities in uninsured rates also grew smaller. However, between 2016 and 2017, as the uninsured rate grew, racial disparities may have increased again (although the change is not statistically significant at conventional levels)[8]. While the average changes appear small, tens of thousands of residents are impacted by each percentage point. Such disparities are linked to racial disparities in income and employment - as health insurance is often employer-based - as well as to citizenship and language barriers.[9]

Access to health insurance means that families are able to go to the doctor when they are sick, seek preventive care before a condition grows complicated, get life-saving treatment when they need it, and live without exposure to catastrophic medical debt. Being insured is associated with better physical and mental health and lower rates of poverty.[10] Further, when parents have insurance, their children are more likely to see a doctor, meaning the positive effects of insuring parents are transmitted to their children.[11]
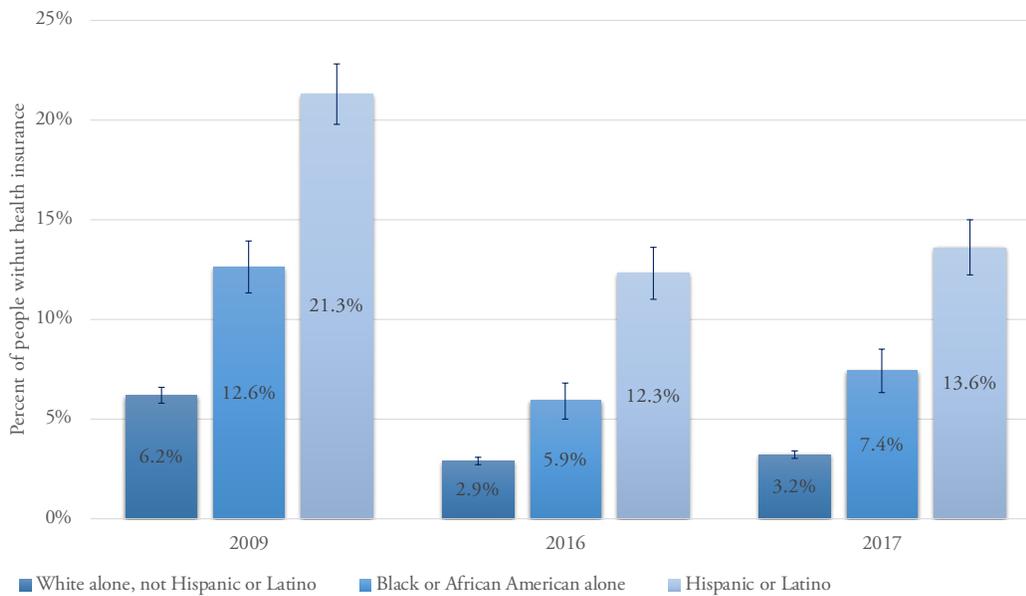
Figure 2: The percent of people in Connecticut lacking health insurance increased in 2017, a reversal since passage of the Affordable Care Act in 2009. Racial disparities in health insurance access, which had been decreasing since 2009, may have increased again in 2017.

Source: Selected Characteristics of Health Insurance Coverage in the United States, American Community Survey 1-Year Estimates. Error bars represent 90% confidence intervals.

Misguided policy decisions are to blame for the increasing number of Connecticut residents without health insurance. In 2015, the legislature reduced income eligibility limits for parents enrolled in HUSKY A (Connecticut's Medicaid program for children, pregnant women, and parents). This means that nearly 10,000 parents can no longer access medical care when they need it. The "welcome mat" effect has shown that children of insured parents are more likely to receive care, in part because understanding who in the family is or is not insured can be confusing.[12] Therefore, this change has likely impacted thousands of children as well. The General Assembly passed additional cuts to parent eligibility in 2017 (before reversing them in 2018) in response to budget shortfalls. Denying health insurance to low-income families is not the right path for addressing the state's budget woes and will likely add to the deficit by increasing rates of uncompensated care, the number of parents unable to work due to untreated chronic illness, and the number of children lacking care that can prevent lifelong struggles with health, school, and wellbeing.

Connecticut residents struggling to make ends meet

Connecticut's recovery from the recession has been slow and uneven. When adjusted for inflation, household income in the state overall, as well as within all racial and ethnic groups, remained stagnant in the last year. Although Whites, Blacks, and Latinos earn more than they did at the peak of the recession, only Whites have seen their median income increase to its pre-recession level. Blacks and Latinos in Connecticut continue to face barriers to higher incomes, earning less than in 2007, when adjusted for inflation.

Figure 3: Median earnings in Connecticut have risen since the recession but were stagnant between 2016 and 2017; Black and Latino households continue to face barriers to higher earnings
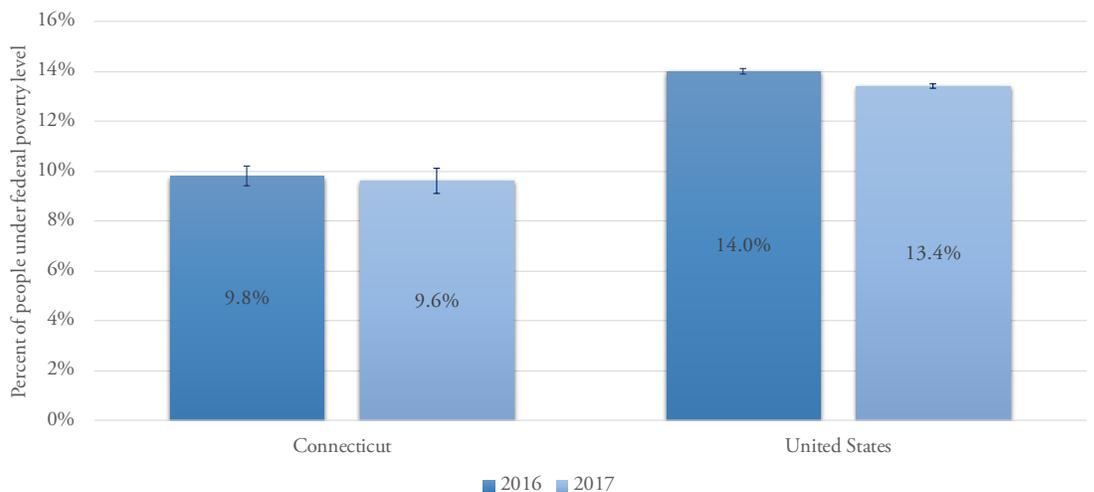
Source: Median Income in the Past 12 Months, American Community Survey 1-Year Estimates Error bars represent 90% confidence intervals.
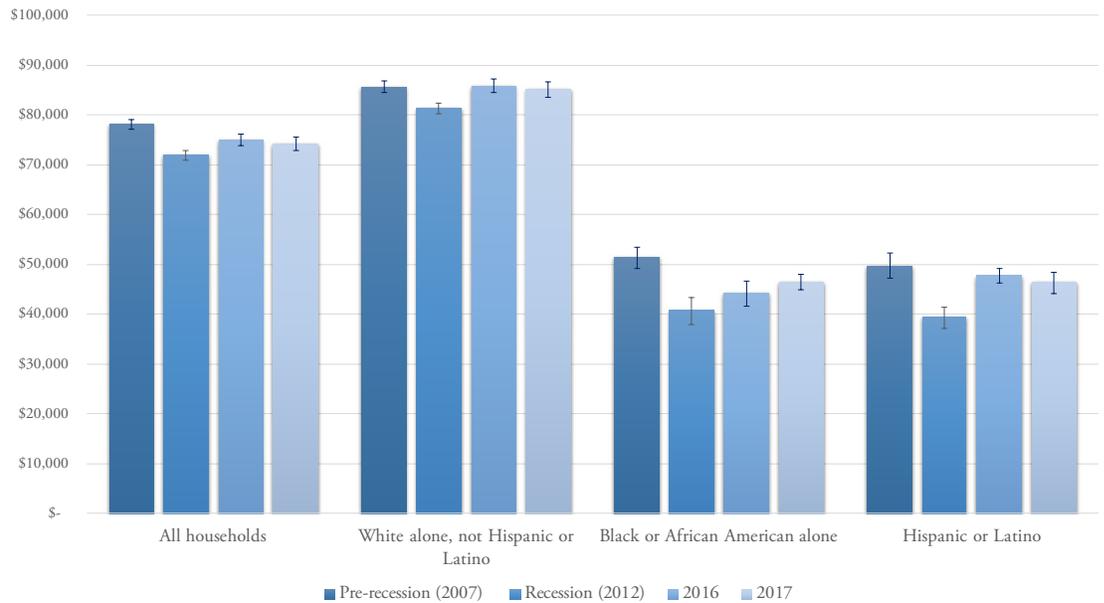
Many adults, children, and families living in Connecticut continue to struggle with poverty. Although Connecticut's rates of poverty and child poverty are lower than the national average, Connecticut's poverty rates have not meaningfully declined, while the national poverty rates have. As of 2016, in Connecticut, 9.8 percent of individuals and 12.9 percent of those under 18 experienced poverty in the last 12 months. Nationally, 14.0 percent of individuals and 19.5 percent of children experienced poverty during this time. Between 2016 and 2017, poverty and child poverty decreased nationally by 0.6 percentage points and 1.1 percentage points, respectively. In Connecticut, the decrease in poverty and child poverty was not statistically significant at conventional levels.

Figure 4: Connecticut's poverty rate did not change, despite national decline

Source: Poverty Status in the Past 12 Months, American Community Survey 1-Year Estimates. Federal poverty levels can be found here: https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html. Error bars represent 90% confidence intervals.
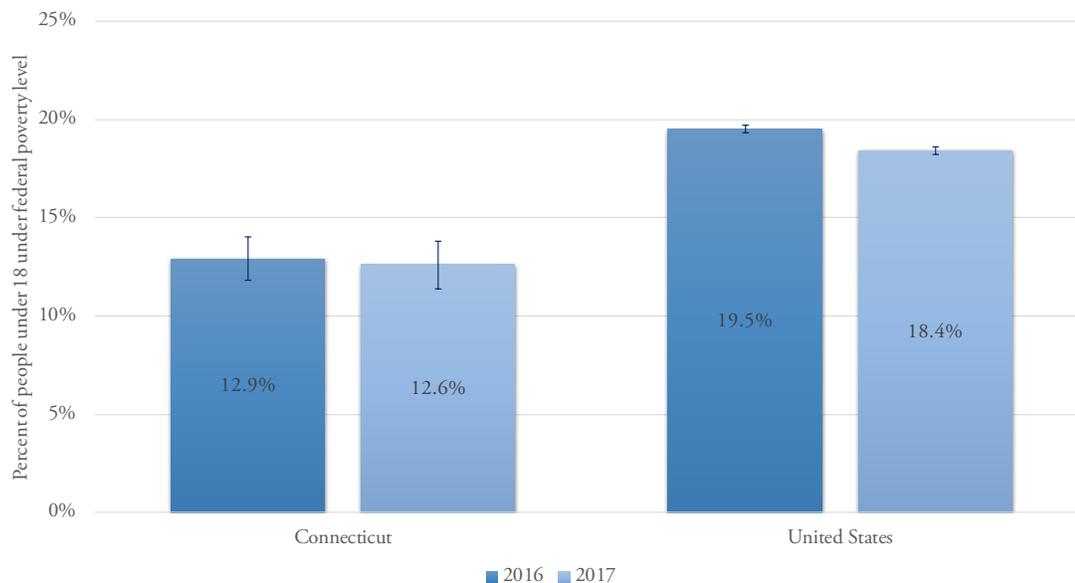
People of color are more likely to experience poverty than White people in Connecticut. One in six Black people, and one in five Latino people in the state lived in a household with such low earnings in 2017 that they could not afford basic necessities, living on less than about $25,100 for a family of four. Fewer non-Hispanic White people – about one in seventeen – found themselves in this situation in 2017.

We might have expected to see poverty decrease in Connecticut in 2017. Employment was rising, meaning more people were working, and the minimum wage had increased to $10.10.[13][14] Nonetheless, many workers continued to earn low wages in jobs with part-time and unreliable hours.[15] Even working full time, $10.10 an hour is not enough to keep a family of four out of poverty, and certainly not enough to achieve economic security. As a state, we need to do more to remove barriers to economic stability so that everyone in our state can participate fully in the economy and meet their potential.

A path forward

That more people lack health insurance in Connecticut in 2017 than in 2016, that household income has been stagnant, and that poverty has not declined meaningfully despite growing employment, are all the results of policy decisions. These policy decisions include cutting Medicaid for parents, opting not to meaningfully raise the minimum wage, removing tax credits to low- and moderate-income families, and failing to pass paid family medical leave. We need to pass common-sense public policies that remove barriers to families' health and economic security.

We support the following as first steps in ensuring that all residents in the state can achieve a stable, healthy standard of living:

- ***Raising the minimum wage:*** A gradual phased-in increase of the minimum wage to $15 an hour by 2021, as proposed during the 2018 legislative session, would raise incomes for more than 524,400 people who earn low wages in Connecticut or about 33 percent of all Connecticut workers. Increasing the minimum wage would lift Black and Latino workers and their families, women workers and their families, and help to reduce long-standing race- and gender-based wage inequities.[16]

- ***Restoring the Earned Income Tax Credit to 30%:*** The restoration of the Connecticut Earned Income Tax Credit to 30 percent of the federal level would increase equity in our tax system for close to 200,000 Connecticut households who, on average, earn less than $20,000 per year and help them fulfill the financial responsibilities of raising a family. Increasing the earned income of parents through the EITC improves children's health, school readiness, and achievement, and, ultimately, children's economic well-being in adulthood.[17]

- ***Passing Paid Family Medical Leave:*** Paid family medical leave allows for vital bonding with new babies, eases the burden on families earning low incomes, and increases the health and productivity of the work force overall. Research shows that paid parental leave leads to a host of positive life outcomes for both generations, including decreased infant mortality, decreased child behavioral problems, and increased rates of father involvement throughout childhood.[18][19][20]

Although insufficient to reverse decades of stagnating wages and remove the barriers faced by people of color and people earning low incomes, these policies would help families provide for their children and gain some measure of economic security.

What we should not do is balance the budget on the backs of those who can least afford it, by making it harder for parents earning low incomes to get health insurance, care for their children, and achieve economic security. Our state will be better for everyone when we all have the opportunity to earn enough to be economically stable, the right to go to the doctor when we are sick, and the ability to build a better life for ourselves and our children.

Appendix

The following are data tables for figures in this report. All data from the US Census Bureau, American Community Survey 1-Year Estimates.

A Note on Estimates and Margins of Error: The tables and figures in this report follow the lead of the American Community Survey and, along with estimates, report margins of error for 90% confidence intervals (CIs). This means that we are 90% confident that the true value we are trying to estimate lies within the CI. For example, if the estimate is 5, and the margin of error is +/- 1, we are "90% confident" that the true estimate is between 4 and 6.

Let's say we are reporting median income. Being "90% confident" means that if we run this survey 100 times, we expect 90 of the surveys to produce confidence intervals that contain the true median income. However, we expect 10 of the surveys to produce confidence intervals that do not contain the true median income.

Table 1: Percent of civilian non-institutionalized population without health insurance in Connecticut and the United States, 2016 and 2017.

	2016		2017	
	Estimate	Margin of Error	Estimate	Margin of Error
Connecticut	4.9	+/- 0.30	5.5	+/- 0.30
United States	8.6	+/- 0.10	8.7	+/- 0.10

Table 2: Percent of civilian non-institutionalized population in Connecticut without health insurance by Race/Ethnicity; 2009, 2016, 2017.

	2009		2016		2017	
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
White alone, not Hispanic or Latino	6.2	+/-0.4	2.9	+/-0.2	3.2	+/-0.2
Black or African American	12.6	+/-1.3	5.9	+/-0.9	7.4	+/-1.1
Hispanic or Latino	21.3	+/-1.5	12.3	+/- 1.3	13.6	+/- 1.4

Table 3: Median Income in Connecticut by Race/Ethnicity in 2017 $; 2007, 2012, 2017

| | 2007 | | 2012 | | 2016 | | 2017 | |
	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error	Estimate	Margin of Error
All households	78,182	+/-966	71,960	+/-925	75,012	+/-1082	74,168	+/-1345
White alone, not Hispanic or Latino	85,862	+/-1090	81,341	+/-999	85,837	+/-1337	85,122	+/-1635
Black or African American	51,381	+/-2188	40,700	+/-2746	44,166	+/-2478	46,474	+/-1558
Hispanic or Latino	49,715	+/-2523	39,315	+/-2193	47,815	+/-1467	46,324	+/-2163

Table 4: Percent of people in Connecticut below the federal poverty level, 2016 and 2017

| | 2016 | | 2017 | |
	Estimate	Margin of Error	Estimate	Margin of Error
All	9.8	+/-0.4	9.6	+/-0.5
White alone, not Hispanic or Latino	5.9	+/-0.4	6.0	+/-0.4
Black or African American	17.8	+/-1.7	15.7	+/-2.2
Hispanic or Latino	20.4	+/-1.8	21.0	+/-1.9
Under 18 years of age	12.9	+/-1.1	12.6	+/-1.2

Endnotes

[1] This publication was made possible with the generous support of the Connecticut Health Foundation and the Stoneman Family Foundation.

[2] Selected Characteristics of Health Insurance Coverage in the United States. American Community Survey. 1-Year estimates for 2016 and 2017.

[3] For details, see Karen Siegel. (2016). "HUSKY A for Parents and Caregivers: Restoring Health Coverage for Families." Connecticut Voices for Children. Available here: http://www.ctvoices.org/publications/husky-parents-and-caregivers-restoring-health-coverage-families.

[4] CT Department of Labor Office of Research. Labor Market Information. Link: https://www1.ctdol.state.ct.us/lmi/unemprateCTUS.asp.

[5] Lincoln Quillian et al. (2017). "Meta-analysis of field experiments shows no change in racial discrimination in hiring over time." PNAS. http://www.pnas.org/content/114/41/10870.

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[7] Selected Characteristics of Health Insurance Coverage in the United States. American Community Survey. 1-Year estimates for 2016 and 2017. Retrieved from American FactFinder.

[8] Although the difference between the racial disparities in the uninsured rate in 2016 and 2017 was not statistically significant, this is probably because of small sample sizes, which add to statistical uncertainty. Estimates of disparities between Whites and Blacks and between Whites and Latinos increased over a percentage point, a large amount, between 2016 and 2017. In addition, because we know that Medicaid rates are higher among Blacks and Latinos than among Whites -- see https://www.kff.org/medicaid/state-indicator/rate-by-raceethnicity-3/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D -- it is reasonable to think that a loss of Medicaid coverage would affect Blacks and Latinos more strongly. The increases in racial disparities are thus worthy of mention. Even though they are not statistically significant, they are highly suggestive.

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[12] *Ibid.*

[13] CT Department of Labor Office of Research. (2018). Labor Market Information. Retrieved Sept 25, 2018 from https://www1.ctdol.state.ct.us/lmi/unemprateCTUS.asp.

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[15] FRED Economic Data. Employed Involuntary Part-Time for Connecticut. Retrieved Sept 25, 2018 from https://fred.stlouisfed.org/graph/?g=llSi.

[16] Jamie Mills and Rachel Silbermann. (2018). "The State of Working Connecticut: Wages Stagnant for Working Families." Connecticut Voices for Children. Retrieved Sept 25, 2018 from http://www.ctvoices.org/publications/state-working-connecticut-wages-stagnant-working-families.

[17] *Ibid.*

[18] Christopher Ruhm. (1998). "Parental Leave and Child Health." NBER Working Paper No. 6554. Retrieved Sept 25, 2018 from http://www.nber.org/papers/w6554.

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