The incidence of health insurance coverage varies considerably by income. As the table above shows, full-time workers at or below the poverty line are over five times more likely to be uninsured than are workers whose income is at least 300% of the poverty line.

This has become an even greater problem because welfare reform and a strong economy have drawn many of the poor back into the labor force. The low-wage jobs they receive often lack employer-sponsored health insurance, yet frequently make them ineligible for Medicaid.

Even when employers do offer health insurance benefits, many low-income employees cannot afford to pay their portion of the premium. Moreover, for workers with families, the employee-paid portion varies widely, and not as one might expect. In fact, the employee’s portion of the premium is 54% higher in firms with the largest shares of low-wage workers (where more than 35% of workers earn 200% of the poverty line or less) than in firms with the smallest share of low-wage workers (less than 10% of employees).

The incidence of coverage, like the cost to employees, differs widely by industry. At one extreme, nearly 40% of the agriculture workforce is uninsured; at the other, only 7% of government workers lack health insurance. Coverage rates also vary by firm size. Perhaps because they can pool their risk, almost all firms of 200 or more employees offer health insurance benefits (although not all employees in such firms receive them or are even eligible), while only 60% of smaller firms, which employ 20% of the workforce, offer such benefits.