PRELIMINARY: PLEASE DO NOT CITE

HEALTH INSURANCE AND THE WAGE GAP

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July 2005

Abstract: Estimates of labor market inequality usually focus only on wages, even though fringes account for almost one-third of total compensation. Using data from the Current Population Survey, I analyze coverage by own-employer health insurance coverage among full-time workers for women versus men, blacks versus whites and Hispanics versus whites. I find significant gaps in coverage for each of these groups. About two-thirds of the gap for blacks or Hispanics is explained by differences in observable characteristics (primarily education and occupation). The gap for women is not explained by controlling for observables; but for women, coverage from other sources – primarily employer-sponsored coverage as a dependent rather than as a policyholder – more than makes up for their lower rates of own-employer coverage, so that overall female workers are less likely to be uninsured than male workers. The same is not true for blacks and Hispanics: their rates of coverage from other sources are also lower than rates for whites, so that they are significantly more likely to be uninsured even after adjusting for observables. Looking over the 20 year period from 1980 to 2000, I find that the adjusted gap in own-employer coverage for women has been relatively flat over this period and is consistently much smaller than the male/female wage gap (about half as large), so that measuring inequality in wages plus health insurance would result in a smaller estimate of male/female compensation inequality than measuring wages alone. The same is generally true for blacks although their health insurance gap is much closer in magnitude to their wage gap. For Hispanics, the health insurance gap is nearly identical to the wage gap and both are increasing over time. Thus, I find no evidence that adding health insurance to estimates of labor market compensation inequality would widen disparities for women versus men, blacks versus whites, or Hispanics versus whites. Whether consideration of other fringe benefits would have the same effect remains an open question.

1. Introduction

Women and racial or ethnic minorities have consistently lower wages than do white men. The male/female wage gap, the black/white wage gap, and the Hispanic/white wage gap have been the subject of much research (for a review, see Altonji and Blank 1999). Nearly all of this research, however, omits the potential contribution of fringe benefits to these gaps, even though fringes are almost one third of total compensation (U.S. Department of Labor 2004). Compensation inequality may be larger or smaller than wage inequality, depending on how the distribution of fringes compares to the distribution of wages.

A number of recent papers have analyzed gender, racial or ethnic differentials in health insurance coverage. In this paper, I build on earlier work in five ways. First, I look at all three types of gaps (male/female, black/white and Hispanic/white) among workers using a consistent data source and methods. Second, I apply two types of decomposition analysis to each gap. The first is a simple analysis of whether gaps in coverage are due to gaps in offering, gaps in eligibility, or gaps in takeup; the second is a Blinder-Oaxaca decomposition that breaks down the raw gaps in coverage, offering, eligibility and takeup into portions explained by differences in observable factors (like education and industry) and unexplained portions. Third, I look at gaps in coverage from other sources, to see whether these offset or exacerbate gaps in own-employer health insurance coverage. Fourth, I analyze how gaps in coverage have changed from 1980 through 2000, a longer time period than has been analyzed in other studies. Finally, I compare the estimated health insurance gaps to wage gaps for the same groups, and consider how an estimate of the "compensation gap" that included the prevalence of health insurance would compare to estimated wage gaps.

I find significant gaps in coverage for each of these groups. The gaps for blacks and Hispanics relative to whites are driven by lower rates of employer offering, while the female/male gap is driven by lower rates of takeup among women who are eligible for coverage. About two-thirds of the gap for blacks or Hispanics is explained by differences in observable characteristics (primarily education and occupation). The gap for women is not explained by controlling for observables; but for women, coverage from other sources – primarily employer-sponsored coverage as a dependent rather than as a policyholder – more than makes up for their lower rates of own-employer coverage, so that overall female workers are less likely to be uninsured than male workers. The same is not true for blacks and Hispanics: their rates of coverage from other sources are also lower than rates for whites, so that they are significantly more likely to be uninsured even after adjusting for observables.

Looking over the 20 year period from 1980 to 2000, I find that the adjusted gap in own-employer coverage for women has been relatively flat over this period and is consistently much smaller than the male/female wage gap (about half as large), so that measuring inequality in wages plus health insurance would result in a smaller estimate of male/female compensation inequality than measuring wages alone. The same is generally true for blacks although their health insurance gap is much closer in magnitude to their wage gap. For Hispanics, the health insurance gap is nearly identical to the wage gap and both are increasing over time. Thus, I find no evidence that adding health insurance to estimates of labor market compensation inequality would widen disparities for women versus men, blacks versus whites, or Hispanics versus whites.

The paper proceeds as follows. Section 2 reviews the existing literature on gender, racial and ethnic disparities in wages, health insurance, and other fringe benefits. Section 3 discusses

the data used in the analysis and section 4 presents the methods of analysis. Section 5 presents results. Section 6 discusses directions for future research, and concludes.

2. Background and review of existing literature

Few authors have considered the potential contribution of fringe benefits to labor market inequality. Solberg and Loughlin (1995) use data from the NLSY-1991 on fringe benefits among young workers (ages 26 to 34) including health and life insurance, paid vacation, dental insurance, training/education subsidies, profit sharing, maternity/paternity leave, flexible hours, employer-subsidized child care and retirement benefits. For this subpopulation, using an index of the value of compensation rather than just wages reduces the overall male/female gap from 16 percent to 11 percent, but that the male/female gap remains significant. Race and ethnicity gaps in total compensation were insignificant after controlling for other characteristics. Pierce (2001) and Chung (2003) both find using different data sets that the dispersion of total compensation (measured as the difference between percentiles of the compensation distribution [e.g. the 90^{th} versus the 10^{th}] rather than differences across demographic groups) exceeds the dispersion of wages, and that compensation inequality has grown more in recent years than has wage inequality.

A related literature considers how the inclusion of non-pecuniary job characteristics other than fringe benefits – for example, the risk of a workplace injury – affects male/female wage gaps. Filer (1985) uses data from 1977 and concludes that the inclusion of nonwage characteristics that might be expected to create a compensating wage differential (e.g. does a job offer variety; is the worker exposed to physical hazards) increase the fraction of the male/female

wage gap that is unexplained by about a third. Schuman, Ahlburg and Mahoney (1994) reach a similar conclusion.

In addition to papers that explicitly consider the potential contribution of fringes to compensation inequality, a number of authors have examined disparities in fringe benefits for their own sake. Even and Macpherson (1994) analyze the gender gap in pensions and find that about two-thirds of the gap is explained by differences in observable worker characteristics. Buchmueller (1996/97), using the Employee Benefits Supplement to the April 1993 CPS, finds that women have lower rates than men of health insurance coverage from their own employers, and that this difference is driven primarily by lower takeup of insurance among married women. Monheit and Vistnes (2000) analyze changes in insurance coverage by race, ethnicity and gender using the 1987 National Medical Expenditure Survey and the 1996 Medical Expenditure Panel Study. They find that for most groups, declines between 1987 and 1996 are not explained by changes in observable variables; for Hispanic men, however, 5.2 of the 13 percentage point decline is explained. They also analyze the reasons for the static gap between Hispanic and white men in 1996 and find that the majority of it (17.7 of 29.1 percentage points) is explained by differences in observable characteristics – primarily wages, family income, and education. LoSasso et al. (2004) analyze the gap in health insurance between immigrants and non-immigrants using the Employee Benefits Supplement to the April 1993 CPS. They find a large gap that is driven by low rates of coverage among noncitizen immigrants; the gap is primarily attributable to low rates of health insurance offering among immigrants, and two-thirds of it is explained by observable characteristics. Dushi and Honig (2005) use the 1996 Survey of Income and Program Participation to analyze differences in coverage by race and ethnicity; they find that minorities have significantly lower rates of insurance coverage and that, in particular, Hispanics

are less likely than non-Hispanic whites to be offered employer-sponsored insurance. All of these results confirm the existence of between-group gaps in health insurance which may make compensation gaps larger or smaller than wage gaps for the same groups, depending on the relative size of the health insurance and wage gaps.

3. Data

The data for the project come from two different supplements to the Current Population Survey: the February Contingent and Alternative Employment Arrangement Supplements in 1995, 1997, 1999 and 2001 and the March Annual Demographic Files for 1981 – 2001.

The Current Population Survey Contingent and Alternative Employment Arrangement Supplements (February 1995, 1997, 1999 and 2001)

The Contingent Work Supplements ask a subsample of workers in the February CPS detailed questions about their employment, including whether they are covered by employer-sponsored health insurance from their own employer. If workers are not covered by their own employer they are asked whether the employer offers coverage to any workers; whether they were eligible for such coverage; and whether they have coverage from another source, such as a family member's employer-sponsored policy or a public program. The supplements also include information on industry and occupation, job tenure, hours of work, and basic demographic characteristics such as race, ethnicity and education. For data from 1995, 1997 and 1999, I can construct a measure of hourly wages using responses to the questions asked of the Outgoing Rotation Groups in the basic survey.[1] These questions refer to the current job; workers are asked if they are paid hourly and if so, they report an hourly wage. All workers are then asked about

[1] In 1995, 1997 and 1999, the Contingent Work Supplements were administered to workers in all rotation groups, but in 2001 it was administered only to rotation groups other than 4 and 8 (so that in 2001 there is no one from the outgoing rotation groups in the Contingent Work Supplement).

their usual weekly earnings and usual weekly hours; I use responses to these questions to construct usual average hourly earnings for non-hourly workers. I restrict the sample to full-time workers (35 hours/week or more) in the private sector.

The March Annual Demographic File

In March, the Current Population Survey supplements the basic questionnaire with questions about income, work and health insurance in the previous calendar year. I use these supplements from 1981 to 2001 to look at health insurance and earnings for full-time, full-year workers. The health insurance questions in March are about health insurance coverage from a variety of sources, including employer-sponsored coverage; no questions are asked about whether an uninsured worker's employer offers insurance, however. My measure of the wage for this sample is wage and salary earnings from a worker's main job in the previous calendar year divided by the product of weeks worked last year and usual hours per week. I restrict the sample to full-year, full-time workers (35 hours/week or more) in the private sector.[2]

In all cases, wages are inflated to real 2000 dollars using the Consumer Price Index for all urban consumers (BLS series CUUR0000SA0 for recent data and MUUR0000SA0 for older data).

4. Methods

I analyze gaps in coverage using two different types of statistical decomposition. The first decomposition breaks down the gap in health insurance coverage between two groups into components attributable to offering, eligibility, and coverage. Following the analysis in Farber and Levy (2000), note that the rate of own-employer coverage for group *i* (women, for example)

[2] The full-year restriction is necessary because my measure of average hourly earnings is unreliable for workers who did not work a full year. The full-year restriction is not imposed in the February data since the February questions refer to a worker's current job, rather than main job last year.

is the product of the offer rate, the eligibility rate conditional on offering, and the enrollment rate conditional on eligibility ("takeup"):

$$Cov_i = O_i \cdot E_i \cdot T_i \qquad i = 1, 2 \qquad (1)$$

The difference in the coverage rate between groups 1 and 2 is therefore:

$$Cov_2 - Cov_1 = (O_2 - O_1) \cdot E_2 \cdot T_2 + (E_2 - E_1) \cdot O_2 \cdot T_2 + (T_2 - T_1) \cdot O_2 \cdot E_2 + \text{covariance term} \quad (2)$$

Or, in more compact notation, using Δ to denote the difference between group 2 and group 1:

$$\Delta C = \Delta O \cdot E \cdot T + \Delta E \cdot O \cdot T + \Delta T \cdot O \cdot E + \text{covariance term} \qquad (3)$$

The three terms on the right hand side are the percentage point differences in the coverage rate due to differences in the offering rate, the eligibility rate, and the takeup rate, respectively.[3] I perform this decomposition separately for women versus men, Blacks versus Whites, and Hispanics versus Whites.

I also apply standard Blinder-Oaxaca decompositions to gaps in wages and different types of insurance coverage in order to determine how much of the raw gap can be explained by observable characteristics (see Oaxaca and Ransom, 1999, for an explanation of this approach).

To determine whether considering health insurance in addition to wages would yield compensation gaps that are greater than wage gaps, I begin by considering the potential consequences of omitting health insurance from a calculation of compensation inequality across groups.[4] For simplicity, I assume that compensation has only two components, wages and health insurance, and that there are again two groups of workers, type 1 and type 2. Average compensation for type 2 workers is defined as:

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[3] The covariance term is $\Delta O \cdot \Delta E \cdot T \cdot + \Delta O \cdot E \cdot \Delta T \cdot + O \cdot \Delta E \cdot \Delta T \cdot + \Delta O \cdot \Delta T \cdot \Delta T$, where an unsubscripted term represents the mean for group 2. In practice, the covariance term is negligible and is not presented in the analysis.

[4] This discussion is adapted from Pierce (2001) who considers the case where information is available on the total cost of nonwage benefits. I have modified his framework to consider a single discrete benefit (health insurance).

$$C_2 = W_2 + HI_2 \cdot \Pi \tag{4}$$

Where W_2 is the average wage, HI_2 is the fraction of the group that has health insurance and Π is the cost of health insurance per covered worker (assumed to be the same for type 1 and type 2 workers).

In order to derive an expression relating the compensation gap between type 1 and type 2 workers, divide expression (4) by C_1:

$$\frac{C_2}{C_1} = \frac{W_2}{C_1} + \frac{H_2 \cdot \Pi}{C_1} \tag{5}$$

Manipulation of the right-hand side yields:

$$\frac{C_2}{C_1} = \frac{W_2}{W_1} \cdot \frac{W_1}{C_1} + \frac{H_2 \cdot \Pi}{H_1 \cdot \Pi} \cdot \frac{H_1 \cdot \Pi}{C_1} \tag{6}$$

This expression reduces to:

$$\Delta C = (1 - S_1) \cdot \Delta W + S_1 \cdot \Delta HI \tag{7}$$

where the operator Δ represents the gap between groups 1 and 2 and S_1 is the share of group 1's compensation that is devoted to health insurance.

The interpretation of this expression is that the compensation gap is the weighted sum of the wage gap and the health insurance gap.[5] Therefore, if the health insurance gap is the same as the wage gap, considering only wage gaps and not health insurance gaps does not bias the estimate of the compensation gap. On the other hand, if the proportional gap in health insurance is larger than the gap in wages, omitting health insurance biases the estimate of group one's

[5] This expression generalizes to additional fringe benefits. Suppose there are $j = 1, \ldots, J$ fringes. The compensation gap is the weighted sum of the wage gap and the individual benefit gaps, weighted by each of their shares in compensation: $\Delta C = \left(1 - \sum_j S_j\right) \cdot \Delta W + \sum_j S_j \cdot \Delta B_j$

compensation premium toward zero. If the health insurance gap is smaller than the wage gap, the reverse is true and omitting insurance overstates the between-group differential.

The relevant question, then, for determining the implications of omitting health insurance from the measured compensation gap is whether the proportional health insurance gap is larger or smaller than the proportional wage gap.

5. Results

A. Basic Decomposition Results

Table 1 presents descriptive statistics on health insurance and other characteristics of full-time, full-year workers in the February CPS supplements. On average, 71.6 percent of these workers have health insurance coverage from their own employer. The coverage rate is higher for men than for women (74.1 percent versus 68.0 percent) and for whites than for blacks or Hispanics (74.1 percent versus 70.1 percent and 55.8 percent, respectively). Thus there is a six percentage point male/female coverage gap, a four percentage point black/white gap and an 8 percentage point Hispanic/white gap.

The fraction of workers offered health insurance is between 85 and 89 percent for all groups except Hispanics, only 69.9 percent of whom work for employers offering insurance. Eligibility rates are high for all groups; 95 to 96 percent of any group of workers in a firm where health insurance is offered are eligible for coverage. (This fraction would be lower if the sample included part-time workers.) Takeup among eligible workers is 86.2 percent on average, with men having the highest rate (89.1 percent) and women the lowest (82.0 percent); by race and ethnicity, whites have the highest rate (86.5 percent), followed by blacks (85.7 percent) and Hispanics (84.2 percent).

Applying the statistical decomposition described above in equation (3) shows that the male/female gap in coverage is almost entirely explained by the gap in takeup; these results are presented in table 2. Indeed, since women have slightly higher rates of offering and nearly identical eligibility rates, this is not surprising. The results are quite different for racial and ethnic gaps, however. Three-quarters of the black/white gap (3 of 4 percentage points) is explained by lower offer rates for blacks, with smaller contributions from lower eligibility and takeup rates for blacks explaining the rest. The results are similar for Hispanics; 16 percentage points of the 18.3 percentage point coverage gap relative to Whites are explained by lower offering rates. The story that emerges from this part of the analysis, then, is quite clear: the male/female coverage gap is explained by women's lower takeup, while Black and Hispanic gaps relative to Whites are due to lower offer rates for minorities.

The next question is how much of these gaps can be explained by observable individual and job characteristics. Table 1 shows that on average, blacks and Hispanics have lower levels of education than whites, which will likely account for some of the observed differences in offer rates. Not surprisingly, Hispanics are much more likely to be non-citizens or naturalized citizens; fewer than half of Hispanics are native-born citizens, compared with 96.5 percent of whites or 91.4 percent of blacks. Another important way in which blacks and Hispanics differ from whites is that they have lower average tenure on the job by a year or two, and are a couple of percentage points more likely to have been on the job for less than a year. Women, also, have on average 1.2 fewer years on the job than men. For other characteristics that may determine health insurance coverage, however, it is not clear that women are at a disadvantage. For example, women have a more compressed distribution of education than do men, with fewer women being high school dropouts or college graduates, and they are slightly more likely to be native citizens.

As a result it is not clear a priori how much controlling for education or citizenship will affect male/female gaps. Table 3 presents the results of five separate regressions corresponding to different dependent variables: own employer health insurance coverage, offering, eligibility, takeup, and ln(wages).[6] Independent variables include race, ethnicity and gender dummies; a marital status dummy and its interaction with the female dummy; age and age squared; a set of dummies for job tenure (the omitted category is tenure less than three months); a set of dummies for education (the omitted category is less than high school); and dummies for citizenship (the omitted category is a native-born citizen). The regressions also include 12 occupation dummies, 12 industry dummies, state dummies and year dummies, although these coefficients are not reported in table 3. These regressions show that gender, race and ethnicity gaps may or may not be significant once other factors have been controlled for. All of the male/female gaps are significant.[7] Black/white and Hispanic/white gaps, in some cases, are not significant. In particular, while coverage and wage gaps are significant in the regression for both groups, offering gaps for blacks relative to whites are not significant and takeup gaps for Hispanics relative to whites are not significant. Eligibility gaps are not significant for either group.

Table 4 presents the results of a set of Blinder-Oaxaca decompositions for the same five outcomes and for three comparisons: male/female, black/white and Hispanic/white. The first panel shows the male/female decompositions. None of the male/female coverage gap is explained by observable characteristics. In fact, women's observable characteristics suggest that

[6] The sample size for the wage regression is 19,913 or about 1/5 of the sample size for the coverage regression since as noted above wages are available only for a subsample of observations in 1995, 1997 and 1999, and not at all in 2001.

[7] Following Buchmueller (1996/97), I include the interaction term married*female, which separates the male/female gap into a gap for single women and a gap for married women. All gaps are significant for both groups except for the eligibility gap and the takeup gap for single women; however, in the case of coverage and offering, the gaps for single and married women have opposite signs (and are both significant). These results are consistent with Buchmueller's. If the interaction term is omitted, the coefficient on the female dummy is approximately the average of the two coefficients reported in table 3 (since as seen in table 1 about half of the sample is female), and all are significantly different from zero.

their coverage and offering rates should be higher than they are (hence the negative signs on the explained portions of the gaps for those two outcomes). About one percentage point of the seven percentage point gap in takeup can be explained by occupation and tenure. In contrast, about one fifth of the male/female wage gap (4.6 percentage points of a 22.4 percent gap) can be explained by the decomposition.

In contrast to the results for women, observable characteristics do a very good job of explaining health insurance gaps for blacks and Hispanics compared to whites. Almost three percentage points of the four percentage point coverage gap for blacks are explained by observables: primarily tenure, education, and occupation. For Hispanics, almost two-thirds of the gap in coverage is explained (11.8 of 18.3 percentage points); the main culprits are tenure, education, industry and occupation. Table 5 summarizes the results of both types of decomposition side-by-side, to convey the main reasons for differences in coverage and how much can be explained by observables.

B. What about other sources of coverage?

Table 6 shows other sources of coverage for different groups. Thanks primarily to coverage as dependents, women actually have *higher* overall rates of coverage than men. For blacks and Hispanics, however, their lower rates of own-employer coverage are exacerbated by lower rates of coverage from other sources, so that overall blacks are almost twice as likely as whites to be uninsured (18.6 percent versus 10.6 percent), while Hispanics are more than three times as likely to be uninsured (34.8 percent). Thus, while women's low takeup may in some sense be "explained" by the availability of other coverage, for blacks and Hispanics lower rates of own-employer coverage translate into higher rates of uninsurance.

C. Comparing health insurance gaps to wage gaps over time

Concern about the uninsured is only one reason for being interested in gaps in employer-sponsored health insurance. Another is the desire to measure correctly between-group differentials in employee compensation and to understand the contribution of nonwage compensation to these differentials over time. Figure 1 plots real wages for men, women, all whites, all blacks, and all Hispanics from 1980 to 2000 based on the March CPS data. Figure 2 plots the fraction of each group of full-time, full-year workers who have their own health insurance. Figure 2 reflects the well-documented gradual decline of own-employer coverage over this period.[8]

Recall from section 3 that the relevant question for determining the implications of omitting health insurance from the measured compensation gap is whether the proportional health insurance gap is larger or smaller than the proportional wage gap. Figure 3 plots the health insurance and wage gaps for male and female full-time, full year-workers in each year from 1980 to 2000, calculated using the March CPS. Two set of gaps are presented for each group: unadjusted gaps (the percent difference in health insurance or wages) and adjusted gaps based on a regression controlling for a simple set of human capital characteristics (female, black and Hispanic indicator variables; a dummy for married; a set of dummies for education, industry, and state of residence) estimated separately in each year. The adjusted gap is the ratio of predicted health insurance if the entire sample were male compared with it if were female, minus one.

Several things are evident in Figure 3. First, the wage gap is always larger than the health insurance gap. Omitting this fringe benefit, at least, leads to an overstatement in the labor

[8] Appendix tables A1 – A5 contain the data on which the figures are based.

market inequality between men and women. Second, the fraction of the wage gap that can be explained declines steadily until about 1993, when it becomes stable. Third, only in 1980 and 1981 can even a small fraction of the male/female health insurance gap be explained by observable factors. Our inability to understand the male/female coverage gap is a longstanding phenomenon.

Figure 4 presents a comparable analysis for black/white wage and health insurance gaps. The adjusted health insurance gap in any year is between 0 and 10 percentage points smaller than the same year's wage gap. Whites' wages are about 14 – 18 percent higher than blacks; but whites are only 3 – 14 percent more likely than blacks to have health insurance. Thus, as was the case for women, omitting health insurance and focusing only on wages overstates black/white labor market inequality. Wage and health insurance gaps for Hispanics, in contrast, have been nearly identical to each other since the late 1980s (figure 5). This suggests that omitting health insurance does not bias estimates of Hispanic/white labor market inequality. Another interesting result in figure 5 is that the adjusted Hispanic/white gap in health insurance has increased steadily, from 6.6 percent in 1980 to 19.5 percent in 2000. The adjusted Hispanic/white wage gap increased over the same period from 15 percent to 19 percent.

6. Discussion

This study has a number of limitations. First, there is a long list of additional variables that should be included in the wage regressions. As noted above, job characteristics such as physical hazards have been shown to affect measured wage gaps. To give just a few other examples, actual labor market experience (Blau and Kahn 1997), the quality and/or content of education rather than just degree completed (Card and Krueger 1992; Brown and Corcoran

1997), and aptitude test scores (Neal and Johnson 1996) have all been shown to matter for race and/or gender gaps.

An omitted variable that may be particularly important in this context is employer size, which is known to affect both wages and health insurance offering (see Brown and Medoff 1989 for evidence on the employer size wage effect and Monheit and Vistnes 1999 for evidence on how firm size affects health insurance). While there is no information on employer size in the February Contingent Work Supplements, establishment size is available in the March CPS supplement since 1989. Analysis of these data, presented in table 7, suggests that the distribution of establishment size is similar for men and women, so that controlling for establishment size would do little to explain the male/female coverage gap. Blacks, on the other hand, tend to work in *larger* establishments than whites, so that controlling for establishment size in the black/white analysis would actually make the gap in offering less easily explained. Finally, Hispanics do tend to work in smaller establishments than Whites, so that omitting establishment size from the Hispanic/white decomposition omits a potentially important explainer of the gaps in coverage and offering. Analysis using the March survey data, however, suggests that in practice establishment size explains a negligible amount of the Hispanic/white gap in coverage (results not shown).

Another obvious limitation of this study is that I have not considered other fringe benefits. Fringes accounted for 28.6 percent of private sector compensation in 2004; health insurance was only 6.6 percent of the total, or about a quarter of all fringes (U.S. Department of Labor 2004). Other fringes – paid vacations, pensions, legally required benefits, etc. – therefore

made up 22.0 percent of compensation, or more than three times as much as health insurance.[9] If gaps in other fringes are sufficiently large, then, including them in the compensation gap might more than offset the narrowing effect of including health insurance, and the overall compensation gap might in fact be larger than the wage gap after all. To be more precise: if the gap between other fringes and wages is at least one-third as large in absolute value as the gap between wages and health insurance, including other fringes in the calculation will yield an estimate of compensation inequality *larger* than measured wage inequality, in spite of the offsetting effect of health insurance.

Finally, one limitation to bear in mind is that the analysis includes only full-time workers (and in the analysis of March data, only full-time, full-year workers). Including part-time workers in the analysis would lower average rates of health insurance; how it would affect gaps in wages or health insurance between groups is unclear. Moreoever, the analysis is not one of race, ethnicity or gender gaps in insurance coverage in the population as a whole. The differential probabilities of working across groups would certainly yield a different result from that yielded by this analysis of workers only.

7. Conclusion

I find that gaps in own-employer health insurance coverage between male and female full-time workers are largely due to differences in takeup among eligible workers and that these differences are mostly unexplained by differences in men's and women's observable characteristics. However, these differences do not translate into higher rates of uninsurance among female workers because of coverage from other sources (primarily group coverage as a

[9] Subtracting legally required benefits (8.7 percent of total compensation) means that health insurance represents about a third of non-required benefits (6.6/19.9). To the extent that legally required benefits are proportional to wages, they contribute nothing to any difference between the compensation gap and the wage gap.

dependent). Moreover, these gaps are smaller than wage gaps and would therefore reduce male/female compensation inequality compared to inequality measured using wages alone.

For blacks and Hispanics, the story is quite different. Gaps in own-employer coverage for both groups, relative to whites, are due to lower offering rates among minority workers, and a substantial fraction of the gap in each case is explained by differences in observable characteristics like education and occupation. Because minority workers are also less likely than whites to have insurance coverage from other sources, these gaps translate into higher rates of uninsurance for black and Hispanic workers. As was the case for women, health insurance gaps for blacks relative to whites are smaller than wage gaps, so that the black/white wage gap overstates the black/white compensation gap measured using wages plus health insurance. For Hispanics, the health insurance gap and the wage gap are very similar in size, so that Hispanic/white compensation inequality may in fact be very similar to Hispanic/white wage inequality.

These results should prompt different reactions from labor economists and health policy analysts. Labor economists may be more interested in the failure of observable characteristics to explain the gender gap in health insurance, which parallels their failure to explain the gender gap in wages and deepens the mystery of why men and women appear to be so differently compensated in the labor market. The result that health insurance gaps narrow the compensation gap (compared to the wage gap) for women, blacks and Hispanics should encourage further consideration among labor economists of what role other fringe benefits might play, in order to be able to say definitely whether compensation gaps are larger or smaller than wage gaps. Health policy analysts, on the other hand, may be more interested in the result that for Hispanics and blacks, gaps in employer coverage exacerbate gaps in other kinds of coverage and contribute

to higher rates of uninsurance for these groups. The fact that a substantial fraction of these gaps can be explained by observable characteristics also suggests policy "levers" that might lead to higher rates of insurance coverage for these currently disadvantaged groups.

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Table 1
Descriptive statistics, February CPS (1995, 97, 99, 01)

	White men	Black men	Hispanic men	White women	Black women	Hispanic women
Health insurance						
Covered by own employer health insurance	0.775	0.708	0.552	0.692	0.694	0.567
Employer offers health insurance	0.895	0.845	0.682	0.887	0.866	0.729
Employee is eligible, if offered	0.965	0.958	0.946	0.956	0.955	0.949
Employee takes up insurance, if eligible	0.898	0.874	0.856	0.817	0.840	0.820
Uninsured	0.108	0.199	0.378	0.103	0.173	0.295
Wages						
Real (2000 $) hourly wage	17.4	12.6	11.4	13.2	11.1	10.3
Ln of real hourly wage	2.7	2.4	2.3	2.4	2.3	2.2
Person characteristics						
Age	38.7	37.3	35.1	38.7	37.1	35.9
Married	0.671	0.532	0.654	0.566	0.368	0.529
Education = less than high school	0.076	0.122	0.412	0.056	0.110	0.291
Education = high school	0.342	0.414	0.298	0.352	0.375	0.336
Education = some college	0.282	0.305	0.201	0.330	0.350	0.261
Education = college or more	0.300	0.159	0.088	0.262	0.165	0.112
Native citizen	0.964	0.905	0.407	0.966	0.925	0.531
Naturalized citizen	0.016	0.039	0.129	0.016	0.034	0.141
Non-citizen	0.020	0.056	0.464	0.018	0.041	0.328
Job characteristics						
Tenure on job (years)	7.9	6.7	5.3	6.4	6.0	4.7
Fraction with tenure less than one year	0.171	0.180	0.196	0.193	0.213	0.222
Industry						
Agriculture, forestry, and fisheries	0.013	0.012	0.068	0.007	0.001	0.013
Mining	0.012	0.003	0.009	0.003	0.001	0.002
Construction	0.096	0.070	0.132	0.014	0.006	0.009
Durable goods	0.202	0.171	0.143	0.096	0.078	0.098
Nondurable goods	0.099	0.129	0.106	0.080	0.103	0.129
Transport., communication & public utils.	0.102	0.135	0.073	0.053	0.065	0.044
Wholesale trade	0.068	0.043	0.065	0.038	0.019	0.048
Retail trade	0.137	0.149	0.181	0.165	0.138	0.170
Finance, insurance, and real estate	0.060	0.055	0.040	0.128	0.112	0.093

Table continues on next page.

Table 1, continued
Descriptive statistics, February CPS (1995, 97, 99, 01)

	White men	Black men	Hispanic men	White women	Black women	Hispanic women
Industry (continued)						
Business and repair services	0.079	0.086	0.084	0.058	0.076	0.059
Personal services	0.013	0.023	0.029	0.031	0.050	0.089
Entertainment and recreation services	0.013	0.014	0.013	0.013	0.009	0.011
Professional and related services	0.106	0.111	0.056	0.313	0.341	0.236
Occupation						
Forestry and fisheries	0.174	0.087	0.066	0.198	0.116	0.111
Executive, administrative, managerial	0.132	0.067	0.037	0.146	0.098	0.063
Professional specialty	0.036	0.037	0.021	0.048	0.045	0.036
Technicians	0.126	0.074	0.076	0.125	0.100	0.094
Sales	0.051	0.080	0.055	0.275	0.257	0.241
Administrative support	0.000	0.001	0.000	0.004	0.009	0.024
Private household	0.007	0.023	0.010	0.002	0.006	0.004
Protective service	0.038	0.091	0.120	0.091	0.195	0.173
Other service	0.221	0.167	0.240	0.025	0.034	0.043
Precision production, craft & repair	0.086	0.141	0.132	0.058	0.106	0.153
Machine operators, assemblers & inspectors	0.072	0.126	0.074	0.007	0.009	0.007
Transportation & material moving	0.044	0.093	0.097	0.016	0.024	0.036
Handlers, equip. cleaners, helpers, laborers	0.013	0.014	0.072	0.004	0.002	0.016
Year						
1995	0.245	0.233	0.201	0.241	0.219	0.194
1997	0.250	0.239	0.239	0.246	0.235	0.234
1999	0.252	0.257	0.266	0.255	0.254	0.270
2001	0.253	0.271	0.294	0.259	0.293	0.302
Sample size	47,370	4,022	5,723	34,402	4,626	3,426

Table 2

	% gap in wages	% gap in health insurance
Black/white		
Male		
Female		
Hispanic/white		
Male		
Female		
Male/female gap		
White		
Black		
Hispanic		

Regressions
February CPS (1995, 97, 99, 01)

	Dependent variable:				
	Own employer coverage	Employer offers	Eligible (if offered)	Employee takes up (if eligible)	ln(real hourly wage)
Female	0.0140 (0.0043)**	0.0120 (0.0034)**	-0.0007 (0.0022)	0.0047 (0.0039)	-0.1311 (0.0102)**
Married	-0.0223 (0.0037)**	0.0254 (0.0029)**	0.0104 (0.0019)**	-0.0604 (0.0034)**	0.0968 (0.0088)**
Married*Female	-0.1522 (0.0054)**	-0.0455 (0.0041)**	-0.0090 (0.0027)**	-0.1292 (0.0048)**	-0.0919 (0.0125)**
Black	-0.0125 (0.0044)**	-0.0037 (0.0034)	0.0027 (0.0022)	-0.0108 (0.0039)**	-0.0838 (0.0102)**
Hispanic	-0.0425 (0.0053)**	-0.0508 (0.0041)**	0.0042 (0.0027)	-0.0085 (0.0049)	-0.0822 (0.0126)**
Age	0.0076 (0.0008)**	0.0033 (0.0007)**	0.0063 (0.0004)**	0.0011 (0.0008)	0.0341 (0.0020)**
Age^2	-0.0001 (0.0000)**	0.0000 (0.0000)**	-0.0001 (0.0000)**	0.0000 (0.0000)	-0.0004 (0.0000)**
Tenure ≤ 6 months	0.1533 (0.0071)**	0.0257 (0.0055)**	0.1534 (0.0038)**	0.1032 (0.0074)**	0.0265 (0.0170)
Tenure 6 - 12 months	0.2522 (0.0061)**	0.0580 (0.0048)**	0.2073 (0.0032)**	0.1599 (0.0065)**	0.0606 (0.0144)**
Tenure 1 – 2 years	0.3019 (0.0062)**	0.0750 (0.0048)**	0.2310 (0.0033)**	0.1883 (0.0064)**	0.0934 (0.0146)**
Tenure 2.01 – 3 years	0.3338 (0.0066)**	0.0872 (0.0051)**	0.2342 (0.0034)**	0.2113 (0.0067)**	0.1025 (0.0156)**
Tenure 3.01 – 4 years	0.3478 (0.0071)**	0.0893 (0.0055)**	0.2375 (0.0037)**	0.2225 (0.0071)**	0.1337 (0.0166)**
Tenure 4.01 – 5 years	0.3677 (0.0070)**	0.1007 (0.0055)**	0.2386 (0.0036)**	0.2336 (0.0070)**	0.1549 (0.0164)**
Tenure 5.01 – 10 years	0.4015 (0.0060)**	0.1241 (0.0046)**	0.2390 (0.0031)**	0.2486 (0.0062)**	0.1996 (0.0141)**

Tenure 10.01 – 15 years	0.4194 (0.0067)**	0.1319 (0.0052)**	0.2377 (0.0034)**	0.2588 (0.0067)**	0.2731 (0.0158)**
Tenure 15.01 – 20 years	0.4431 (0.0075)**	0.1384 (0.0058)**	0.2345 (0.0038)**	0.2789 (0.0072)**	0.2972 (0.0175)**
Tenure > 20 years	0.4715 (0.0074)**	0.1509 (0.0057)**	0.2391 (0.0037)**	0.2902 (0.0072)**	0.3359 (0.0175)**
Education = High School	0.0703 (0.0048)**	0.0682 (0.0037)**	0.0090 (0.0026)**	0.0246 (0.0047)**	0.1322 (0.0112)**
Education = Some College	0.0915 (0.0051)**	0.0949 (0.0039)**	0.0085 (0.0027)**	0.0253 (0.0049)**	0.2073 (0.0118)**
Education = College	0.1541 (0.0057)**	0.1200 (0.0044)**	0.0186 (0.0030)**	0.0637 (0.0054)**	0.4365 (0.0134)**
Naturalized citizen	0.0104 (0.0077)	-0.0133 (0.0060)*	-0.0010 (0.0039)	0.0326 (0.0070)**	-0.0598 (0.0197)**
Noncitizen	-0.0766 (0.0062)**	-0.1149 (0.0048)**	-0.0063 (0.0034)	0.0186 (0.0061)**	-0.1187 (0.0149)**
Constant	0.0790 (0.0298)**	0.4951 (0.0231)**	0.6129 (0.0154)**	0.6222 (0.0282)**	1.3866 (0.0691)**
Observations	99,569	99,569	86,396	82,885	19,913
R-squared	0.2047	0.1639	0.1151	0.0982	0.4588

Notes:

1. Data are from the February Contingent Work Supplements (1995, 1997, 1999, 2001) as described in the text.
2. Regressions also include 12 industry dummies, 12 occupation dummies, state dummies, and year dummies.
3. *Significantly different from 0 with $0.01 < p \leq 0.05$.
4. **Significantly different from 0 with $p \leq 0.01$.

Table 4
Blinder-Oaxaca decompositions
February CPS (1995, 97, 99, 01)

	Outcome				
	Own employer coverage	Employer offers	Eligible (if offered)	Employee takes up (if eligible)	ln(real hourly wage)
Male/Female gap					
Raw gap	0.061	-0.005	0.008	0.071	0.224
Unexplained	0.069	0.018	0.004	0.063	0.178
Explained	-0.008	-0.022	0.004	0.009	0.046
Age	0.000	0.000	0.000	0.000	0.000
Tenure	0.011	0.004	0.003	0.006	0.012
Married	-0.003	0.003	0.001	-0.007	0.011
Education	-0.002	-0.003	0.000	0.000	-0.001
Citizenship	-0.003	-0.004	0.000	0.000	-0.004
Industry	-0.008	-0.015	-0.001	0.000	0.022
Occupation	-0.002	-0.008	0.001	0.010	0.010
State	0.000	0.000	0.000	0.000	0.002
Year	0.000	0.000	0.000	0.000	0.000
Black/White gap					
Raw gap	0.040	0.036	0.005	0.008	0.248
Unexplained	0.013	0.006	-0.004	0.016	0.093
Explained	0.027	0.030	0.009	-0.008	0.155
Age	0.000	0.000	0.001	0.000	0.006
Tenure	0.012	0.005	0.003	0.007	0.013
Married	-0.017	0.000	0.001	-0.021	0.014
Education	0.015	0.009	0.002	0.008	0.046
Citizenship	0.000	0.002	0.000	-0.001	0.002
Industry	0.000	-0.001	0.000	0.001	0.006
Occupation	0.019	0.013	0.005	0.009	0.074
State	-0.003	0.004	-0.003	-0.004	0.000
Year	0.000	-0.001	0.000	0.000	0.000

Table continues on next page; see notes at end of table.

Table 4, continued
Blinder-Oaxaca decompositions
February CPS (1995, 97, 99, 01)

Hispanic/White gap					
Raw gap	0.183	0.192	0.014	0.022	0.331
Unexplained	0.065	0.081	-0.001	0.014	0.116
Explained	0.118	0.111	0.015	0.009	0.214
Age	0.002	0.000	0.003	0.000	0.022
Tenure	0.023	0.009	0.005	0.014	0.028
Married	-0.002	0.000	0.000	-0.002	0.001
Education	0.041	0.031	0.006	0.018	0.109
Citizenship	0.005	0.021	-0.002	-0.011	0.017
Industry	0.019	0.017	0.002	0.006	0.011
Occupation	0.028	0.025	0.008	0.007	0.088
State	0.002	0.011	0.001	-0.009	-0.059
Year	-0.001	-0.001	0.000	0.001	-0.001

Notes: Data are from the February Contingent Work Supplements (1995, 1997, 1999, 2001) as described in the text. Regressions also include 12 industry dummies, 12 occupation dummies, state dummies, and year dummies.

Table 5
Summary of raw gaps and fraction explained by observables

	Raw gap	Fraction of gap explained by observables
Male/female:		
Overall own EHI coverage gap	0.061	< 0.00
Gap due to offering	-0.004	> 1.00
Gap due to eligibility	0.006	0.54
Gap due to takeup	0.059	0.12
Wage gap	0.224	0.21
Black-white:		
Overall own EHI coverage gap	0.040	0.67
Gap due to offering	0.030	0.82
Gap due to eligibility	0.004	> 1.00
Gap due to takeup	0.007	< 0.00
Wage gap	0.248	0.63
Hispanic-white:		
Overall own EHI coverage gap	0.183	0.64
Gap due to offering	0.160	0.58
Gap due to eligibility	0.011	> 1.00
Gap due to takeup	0.019	0.39
Wage gap	0.331	0.65

Table 6
Other sources of health insurance coverage
February CPS (1995, 97, 99, 01)

	All workers	All Men	All Women	All Whites	All Blacks	All Hispanics
Health insurance						
Own employer coverage	0.716	0.741	0.680	0.741	0.701	0.558
Group coverage as a dependent	0.109	0.075	0.155	0.119	0.079	0.067
Other coverage (nongroup/public/other)	0.033	0.034	0.033	0.034	0.034	0.027
Private nongroup	0.023	0.026	0.018	0.025	0.017	0.016
Public	0.005	0.002	0.008	0.003	0.010	0.008
Other (not specified)	0.006	0.005	0.006	0.006	0.007	0.004
Uninsured	0.142	0.150	0.131	0.106	0.186	0.348

Table 7
Distribution of workers by establishment size
March CPS (1989 – 2001)

	Male	Female	White	Black	Hispanic
TOTAL	1.000	1.000	1.000	1.000	1.000
Under 25	0.216	0.204	0.209	0.153	0.286
25 - 99	0.163	0.147	0.154	0.138	0.196
100 – 499	0.168	0.174	0.169	0.174	0.172
500 - 999	0.062	0.073	0.066	0.079	0.055
1000+	0.391	0.403	0.402	0.456	0.291

Appendix tables: Data for figures 1 – 5

Table A1
Trends in real hourly earnings by gender, race, and ethnicity
March CPS, 1981 - 2001

	Men	Women	Whites	Blacks	Hispanics
1980	18.5	11.6	16.6	12.5	12.8
1981	18.6	11.5	16.6	12.3	12.6
1982	18.6	11.8	16.6	12.2	12.3
1983	18.5	12.1	16.6	12.4	12.4
1984	18.3	12.2	16.6	12.4	12.6
1985	18.4	12.4	16.7	12.7	12.3
1986	18.5	12.8	17.0	12.7	12.4
1987	18.3	12.8	16.8	12.7	12.3
1988	17.6	12.5	16.2	12.5	11.9
1989	17.3	12.5	16.1	12.5	11.8
1990	16.8	12.4	15.7	12.3	11.4
1991	16.7	12.5	15.6	12.3	11.3
1992	16.6	12.6	15.6	12.1	11.4
1993	16.1	12.5	15.4	11.7	11.0
1994	15.8	12.5	15.2	12.0	11.0
1995	17.6	12.8	16.7	12.2	11.0
1996	18.1	13.2	17.2	12.9	11.2
1997	18.2	13.4	17.4	12.8	11.6
1998	18.8	13.7	18.0	12.7	12.0
1999	18.9	13.8	18.0	13.4	11.7
2000	20.1	14.1	19.1	13.6	11.9

Table A2
Race, gender and ethnicity ln wage gaps
With and without adjustment for covariates
March CPS, 1981 - 2001

	Male/female lnw gap		Black/white lnw gap		Hispanic/white lnw gap	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
1980	0.438	0.334	0.275	0.140	0.252	0.148
1981	0.446	0.347	0.287	0.149	0.253	0.149
1982	0.424	0.315	0.274	0.140	0.271	0.151
1983	0.387	0.286	0.272	0.152	0.287	0.175
1984	0.378	0.298	0.274	0.152	0.264	0.146
1985	0.361	0.274	0.262	0.142	0.307	0.198
1986	0.352	0.278	0.292	0.164	0.305	0.186
1987	0.338	0.272	0.273	0.150	0.306	0.184
1988	0.325	0.249	0.260	0.126	0.305	0.154
1989	0.306	0.239	0.242	0.118	0.311	0.134
1990	0.284	0.229	0.240	0.134	0.322	0.161
1991	0.277	0.225	0.240	0.126	0.327	0.168
1992	0.259	0.215	0.260	0.149	0.321	0.154
1993	0.239	0.202	0.289	0.175	0.350	0.165
1994	0.232	0.195	0.253	0.141	0.328	0.145
1995	0.265	0.227	0.269	0.120	0.408	0.197
1996	0.253	0.220	0.259	0.119	0.409	0.203
1997	0.261	0.231	0.264	0.126	0.392	0.190
1998	0.266	0.231	0.299	0.166	0.408	0.184
1999	0.287	0.245	0.270	0.130	0.402	0.181
2000	0.292	0.250	0.305	0.135	0.409	0.186

Table A3
Trends in the fraction of workers with own-employer health insurance coverage
By gender, race, and ethnicity

	Men	Women	Whites	Blacks	Hispanics
1980	0.866	0.754	0.837	0.772	0.744
1981	0.868	0.760	0.842	0.767	0.727
1982	0.863	0.765	0.836	0.794	0.743
1983	0.853	0.763	0.830	0.770	0.732
1984	0.832	0.756	0.817	0.774	0.678
1985	0.829	0.754	0.816	0.760	0.675
1986	0.824	0.739	0.811	0.741	0.645
1987	0.784	0.698	0.776	0.681	0.571
1988	0.777	0.707	0.774	0.683	0.580
1989	0.767	0.701	0.767	0.690	0.561
1990	0.758	0.693	0.754	0.690	0.574
1991	0.759	0.684	0.754	0.653	0.564
1992	0.739	0.672	0.739	0.646	0.537
1993	0.729	0.686	0.742	0.655	0.534
1994	0.727	0.680	0.743	0.668	0.497
1995	0.726	0.676	0.737	0.660	0.522
1996	0.729	0.677	0.739	0.682	0.519
1997	0.715	0.666	0.731	0.662	0.502
1998	0.715	0.659	0.728	0.646	0.509
1999	0.725	0.661	0.738	0.669	0.495
2000	0.726	0.669	0.741	0.669	0.508

Table A4
Race, gender and ethnicity health insurance gaps (percent)
With and without adjustment for covariates

	Male/female health insurance gap		Black/white health insurance gap		Hispanic/white health insurance gap	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
1980	0.148	0.113	0.085	0.043	0.125	0.066
1981	0.141	0.106	0.097	0.056	0.158	0.098
1982	0.129	0.133	0.052	0.040	0.124	0.084
1983	0.118	0.124	0.078	0.081	0.135	0.082
1984	0.101	0.098	0.055	0.030	0.204	0.129
1985	0.099	0.090	0.075	0.064	0.210	0.153
1986	0.115	0.127	0.094	0.096	0.256	0.208
1987	0.124	0.130	0.140	0.143	0.360	0.268
1988	0.098	0.077	0.133	0.096	0.335	0.142
1989	0.095	0.076	0.112	0.079	0.369	0.168
1990	0.092	0.082	0.093	0.073	0.314	0.135
1991	0.109	0.100	0.155	0.125	0.338	0.146
1992	0.100	0.087	0.144	0.108	0.377	0.159
1993	0.063	0.060	0.131	0.097	0.388	0.170
1994	0.068	0.071	0.112	0.078	0.493	0.216
1995	0.074	0.072	0.117	0.075	0.414	0.165
1996	0.076	0.071	0.084	0.053	0.424	0.185
1997	0.074	0.079	0.104	0.069	0.455	0.216
1998	0.085	0.079	0.126	0.077	0.430	0.160
1999	0.098	0.100	0.103	0.068	0.491	0.218
2000	0.087	0.088	0.108	0.075	0.459	0.195

Table A5
Race, gender and ethnicity health insurance gaps (percentage point)
With and without adjustment for covariates

	Male/female health insurance gap		Black/white health insurance gap		Hispanic/white health insurance gap	
	Unadjusted	Adjusted	Unadjusted	Adjusted	Unadjusted	Adjusted
1980	0.112	0.088	0.066	0.033	0.093	0.050
1981	0.107	0.084	0.075	0.043	0.115	0.073
1982	0.099	0.080	0.041	0.023	0.092	0.048
1983	0.090	0.075	0.060	0.045	0.099	0.047
1984	0.076	0.062	0.043	0.018	0.138	0.072
1985	0.075	0.057	0.057	0.038	0.142	0.086
1986	0.085	0.075	0.069	0.052	0.165	0.101
1987	0.086	0.075	0.095	0.070	0.205	0.122
1988	0.069	0.057	0.091	0.067	0.194	0.096
1989	0.066	0.057	0.077	0.056	0.207	0.110
1990	0.064	0.060	0.064	0.051	0.180	0.090
1991	0.075	0.072	0.101	0.084	0.191	0.096
1992	0.067	0.062	0.093	0.072	0.202	0.102
1993	0.043	0.044	0.086	0.065	0.207	0.108
1994	0.046	0.051	0.075	0.054	0.245	0.132
1995	0.050	0.051	0.077	0.051	0.216	0.103
1996	0.052	0.050	0.057	0.037	0.220	0.114
1997	0.049	0.056	0.069	0.048	0.228	0.130
1998	0.056	0.055	0.081	0.051	0.219	0.100
1999	0.065	0.070	0.069	0.047	0.243	0.131
2000	0.058	0.062	0.073	0.052	0.233	0.120

Figure 1

Real Hourly Earnings by Race, Ethnicity and Gender, 1980 - 2000
Full time full year private sector workers, March CPS

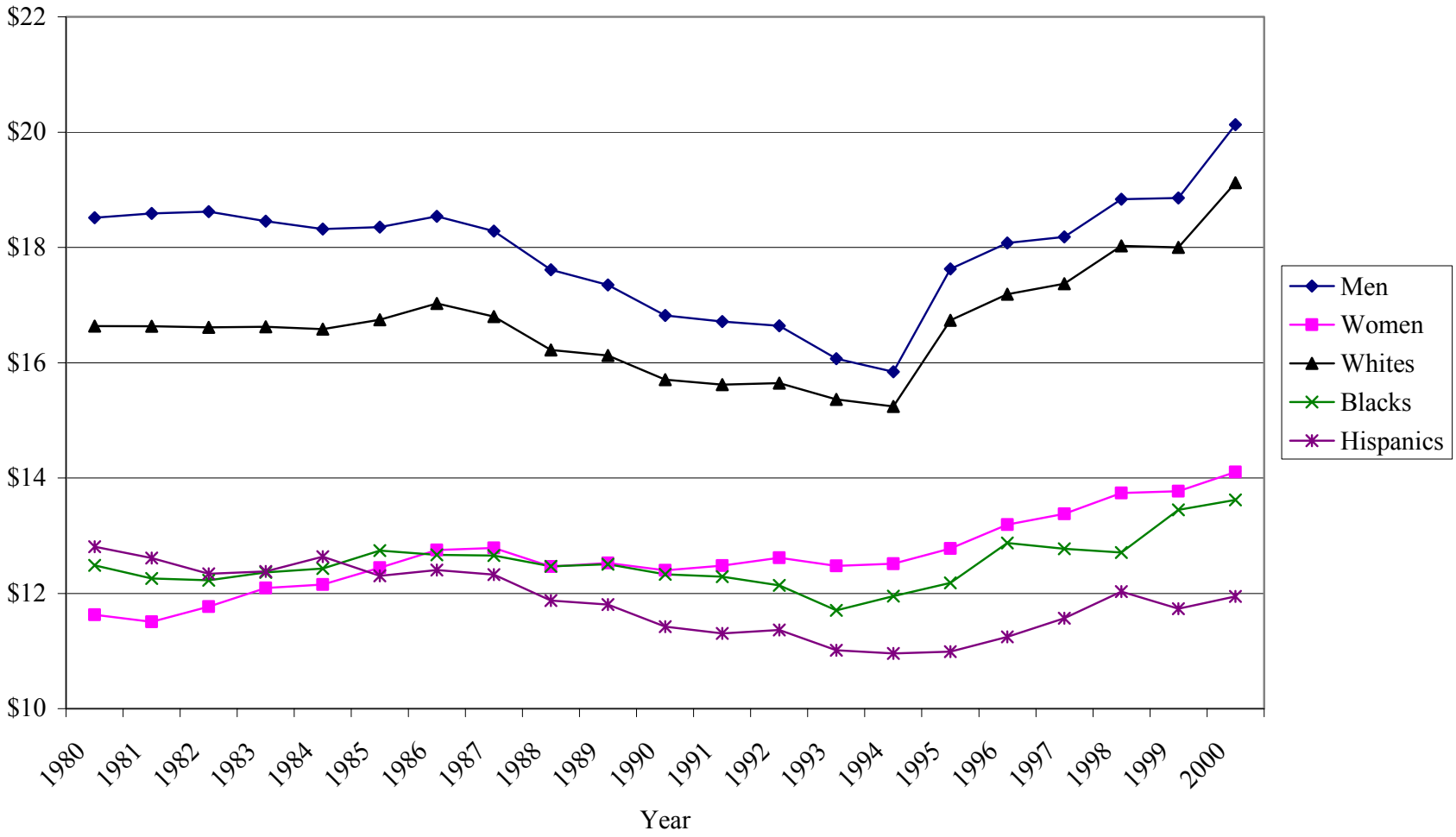

Figure 2

Fraction with Own-Employer Health Insurance by Race, Ethnicity and Gender, 1980 - 2000
Full time full year private sector workers, March CPS

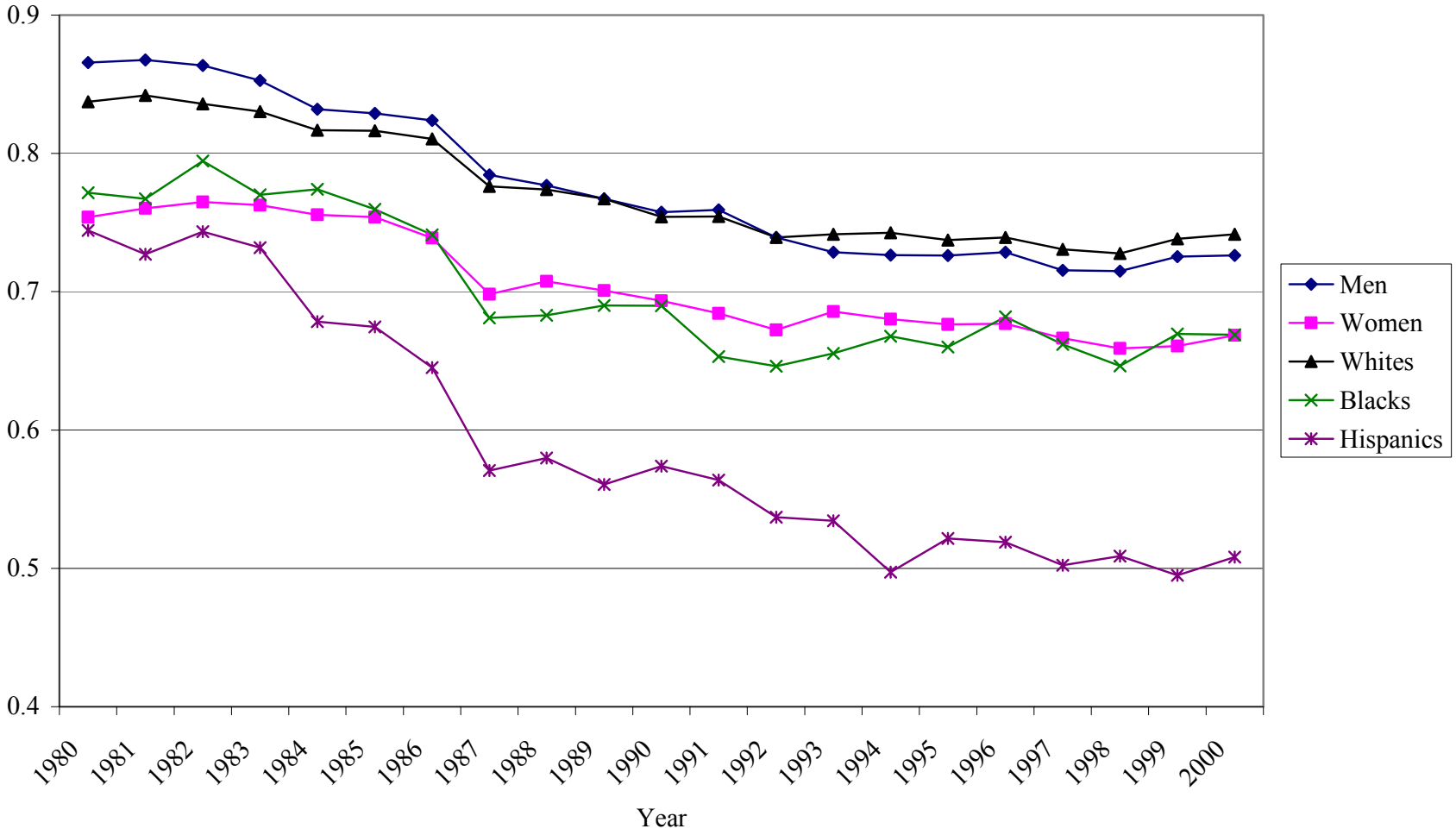

Figure 3

Male/female wage and health insurance gaps, 1980 - 2000
Full time, full year private sector workers, March CPS

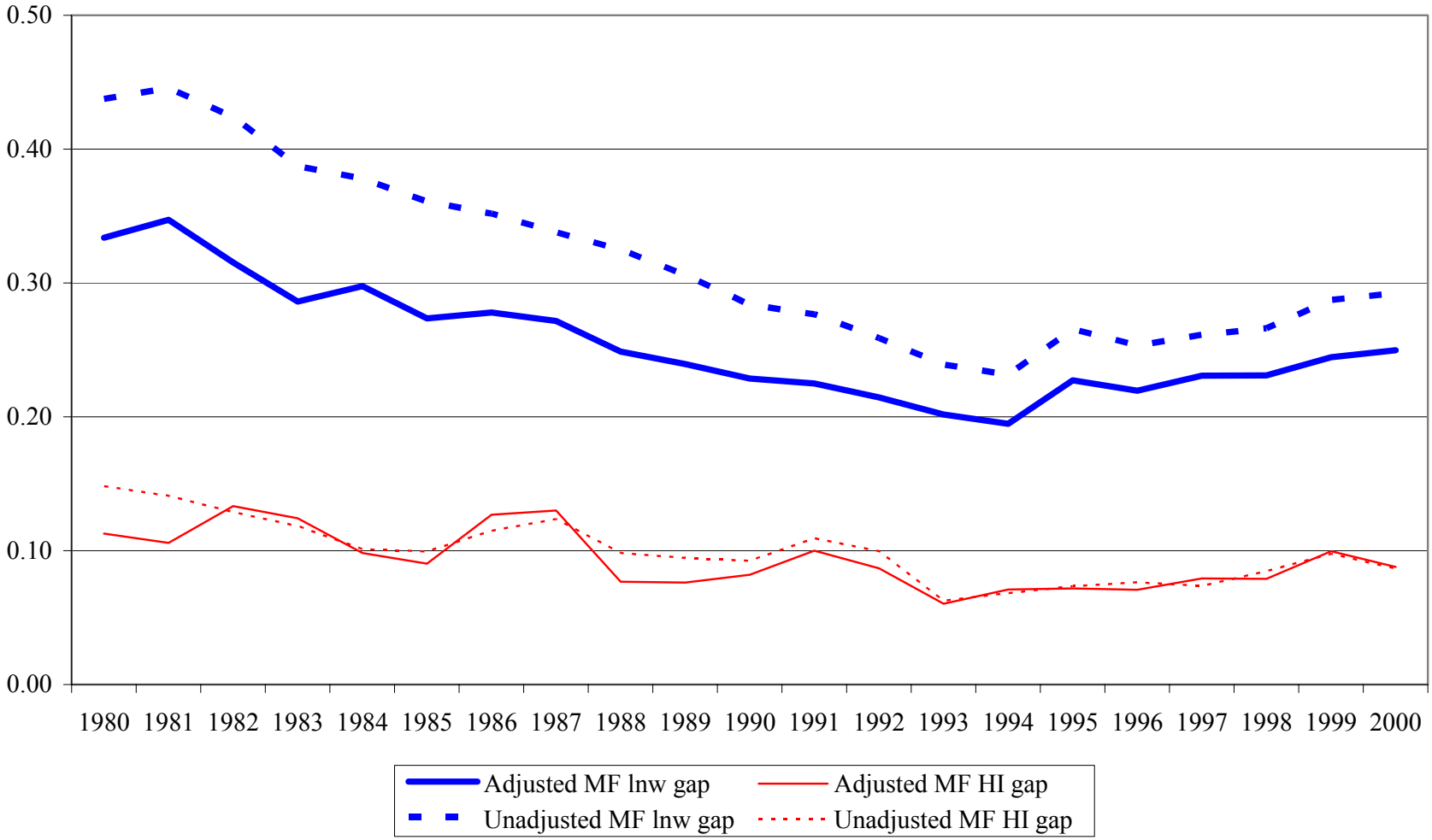

Figure 4

Black/white wage and health insurance gaps, 1980 - 2000
Full time, full year private sector workers, March CPS

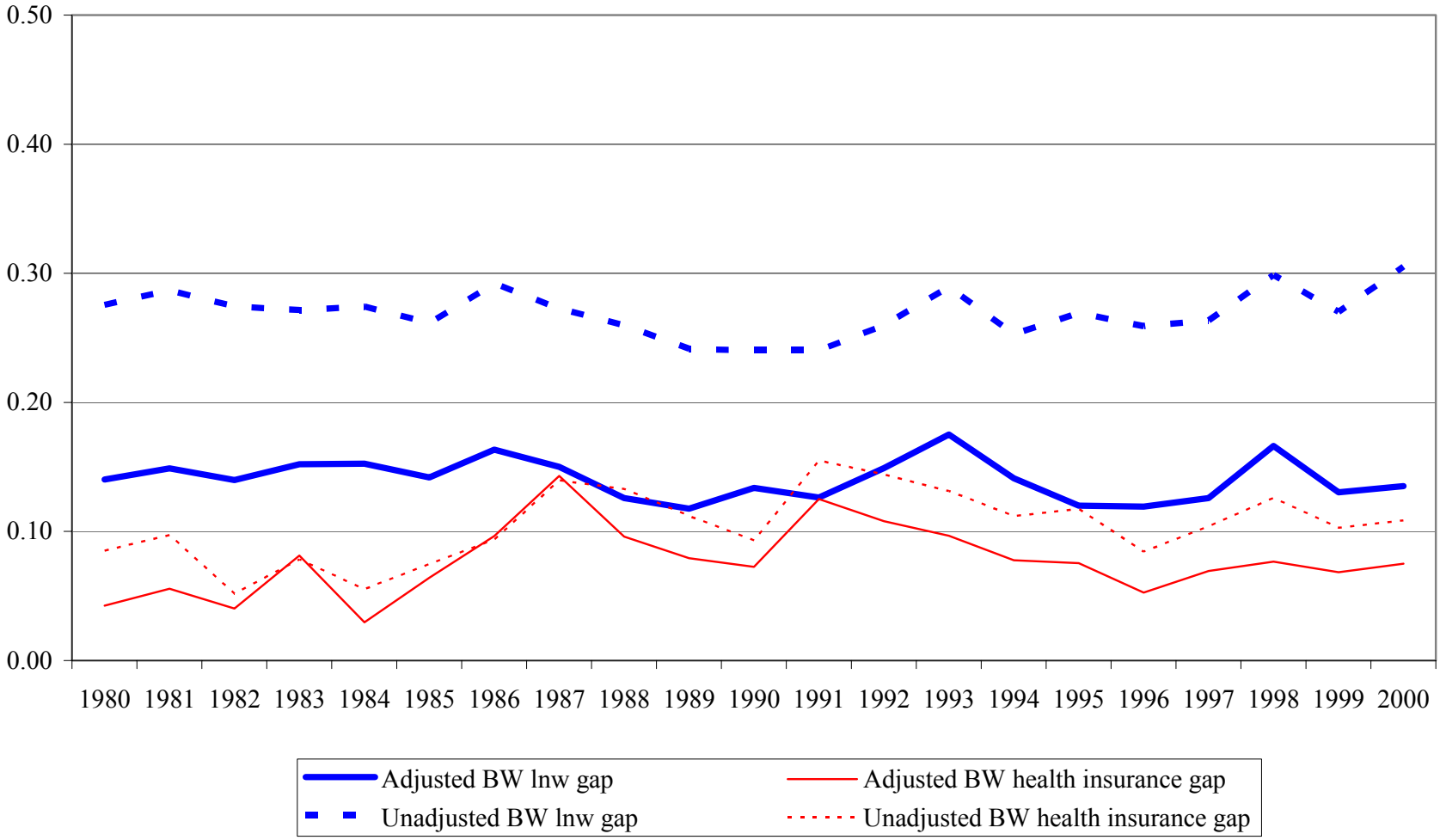

Figure 5

Hispanic/White wage and health insurance gaps, 1980 - 2000
Full time, full year private sector workers, March CPS