

Table 2 examines the impact of the ACA's health insurance regulations on weekly pay. For businesses with between 20 and 49 employees, we find that a one percent, post-ACA increase in total health insurance premiums is associated with a 0.031 percent decrease in wages, in contrast with a positive correlation of 0.077 percent prior to the ACA. Similarly, a one percent increase in employer health insurance contributions is associated with a 0.028 percent decrease in wages post-ACA and a 0.068 percent increase pre-ACA.

Unlike our job level findings, we report stronger post-ACA relationships between health insurance premiums and wages for employers with between 50 and 99 employees. A one percent increase in total insurance premiums post-ACA is associated with a 0.109 percent decrease in wages, and a one percent increase in employer health insurance contributions post-ACA is associated with a 0.085 percent decrease in wages. We do not identify any statistically significant relationships between wages and health insurance premiums prior to the ACA for larger employers in our data, and we do not find a statistically significant relationship between employee health insurance contributions and wages in either time period or business size category.

## Implications

Although the estimates might appear small, when one considers how premiums have changed since the ACA, the costs are profound. Pre-ACA, total premiums in an average state cost \$4,653 in 2009 and grew by 19.8 percent to \$5,576 by 2013.

What does this mean for worker pay? For businesses with 50 to 99 workers, we found that a one percent increase in total premiums has been associated with a 0.109 percent decrease in average weekly pay since the ACA. So a 19.8 percent increase in total premiums is associated with a 2.2 percent decrease in average weekly pay. This is consistent with past research from the Journal of Labor Economics, suggesting a double-digit increase in premiums reduced wages by [2.3 percent](#). Accordingly, our results suggest that the average weekly pay of \$831 in 2013 was 2.2 percent lower than it would have been absent the ACA, costing workers \$18.70 per week.<sup>11</sup> Moreover, if employees work all year, our results suggest that ACA regulations are costing them on average \$935 annually.

Nationally, about 14.8 million worked for businesses with 50 to 99 employees. If we conservatively assume that half of them work year round and half work for only half the year, the employer mandate costs workers about \$10.8 billion annually.

Table 3 illustrates how the rise in premiums in each state since the ACA has resulted in weekly pay cuts and annual income losses.

**Table 3: Premium Increases and Resulting Income Losses since ACA became Law in Businesses with 50-99 Workers**

State	Premium Increase	Loss in Weekly Pay (\$)	Loss in Annual Earnings (\$)

<sup>11</sup> In calculating the impact of the ACA for weekly pay among businesses with 50 to 99 workers, we assume that the pre-ACA relationship is 0, as our results were weakly positive and statistically insignificant. This assumption leads to conservative estimates of the impact.

Alabama	12.0%	9.97	498.41
Alaska	21.9%	23.61	1,180.29
Arizona	22.6%	19.93	996.45
Arkansas	22.0%	16.83	841.59
California	20.5%	22.64	1,132.14
Colorado	24.0%	25.41	1,270.69
<b>Connecticut</b>	<b>22.3%</b>	<b>32.83</b>	<b>1,641.60</b>
Delaware	19.8%	17.28	863.89
Florida	19.9%	17.84	892.13
Georgia	14.5%	14.34	717.19
Hawaii	24.0%	20.13	1,006.47
Idaho	18.1%	13.40	670.06
Illinois	23.3%	25.21	1,260.28
Indiana	25.8%	20.73	1,036.46
Iowa	16.9%	13.31	665.64
Kansas	28.2%	24.26	1,212.94
Kentucky	21.2%	16.88	843.76
Louisiana	9.0%	7.88	394.19
Maine	14.6%	11.11	555.26
Maryland	17.7%	18.35	917.53
Massachusetts	19.4%	24.78	1,238.93
Michigan	8.2%	7.62	380.93
Minnesota	14.7%	14.69	734.41
Mississippi	11.0%	7.66	383.20
Missouri	23.9%	20.18	1,008.81
Montana	24.4%	18.69	934.74
Nebraska	22.1%	17.83	891.72
Nevada	11.7%	10.66	533.14
New Hampshire	19.6%	18.44	922.22
<b>New Jersey</b>	<b>26.5%</b>	<b>33.59</b>	<b>1,679.37</b>
New Mexico	15.8%	11.79	589.27

New York	20.2%	26.99	1,349.31
North Carolina	11.6%	9.72	486.25
<b>North Dakota</b>	<b>29.1%</b>	<b>29.76</b>	<b>1,488.19</b>
<b>Ohio</b>	<b>33.3%</b>	<b>29.36</b>	<b>1,467.92</b>
Oklahoma	20.9%	18.33	916.50
Oregon	16.4%	14.97	748.63
Pennsylvania	17.5%	17.23	861.54
Rhode Island	18.0%	15.96	798.05
South Carolina	20.5%	15.29	764.43
South Dakota	37.9%	28.63	1,431.58
Tennessee	13.1%	11.41	570.34
Texas	19.7%	21.02	1,050.87
Utah	24.7%	21.40	1,069.91
Vermont	15.3%	12.55	627.41
Virginia	17.8%	18.74	937.02
Washington	15.6%	15.98	798.99
West Virginia	26.4%	22.33	1,116.26
Wisconsin	11.7%	9.96	497.86
<b>Wyoming</b>	<b>34.0%</b>	<b>32.19</b>	<b>1,609.58</b>

As noted above, total premiums have increased 33.3 percent in Ohio, resulting in weekly pay falling by \$29.36. For those who work year round in Ohio, this results in an annual loss of \$1,467. Year round workers in these businesses have seen their pay fall by more than \$1,000 in 19 states.

For businesses with 20 to 49 workers, we found that a one percent increase in total premiums has been associated with a 0.031 percent decrease in average weekly pay since the ACA. This suggests that the 19.8 percent increase in total premiums since the ACA is associated with a 0.6 percent decrease in average weekly pay. Moreover, we also found that in businesses with 20 to 49 employees before the ACA a one percent increase in total premiums was associated with a 0.077 percent increase in weekly pay. Thus, if the ACA had never become law, the 19.8 percent increase in total premiums since 2009 would have been associated with a 1.5 percent increase in weekly pay. So our results indicate that on net, the average weekly pay of \$771 in 2013 was actually 2.1 percent lower than it would have been without the ACA, costing workers on average \$16.55 per week. To put that in perspective, if employees work year round, they are losing about \$827.50 on average due to ACA regulations.