

“SPATIAL MISMATCH AND ACCESSIBILITY TO EMPLOYER-SPONSORED HEALTH INSURANCE: EVIDENCE FROM ATLANTA, BOSTON, DETROIT, AND LOS ANGELES”

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ABSTRACT

The spatial mismatch hypothesis proposes that involuntary housing segregation and the increasing suburbanization of less-skilled jobs that has occurred over the past thirty years, have acted to disadvantage inner-city workers' labor market outcomes by isolating them from the labor market opportunities they are most quality for. This paper extends previous analyses of the role of job accessibility and the relationship between residential segregation and labor market outcomes by investigating how race, poverty, and geographic inaccessibility to health care interact. There is potentially a direct and indirect negative effect on the health outcomes of the poor, due to their confinement to inner-city neighborhoods, which has not been explored. Specifically, the direct effect of spatial isolation may be inferior access to health care providers. The indirect effect may be due to the increasing suburbanization of less-skilled jobs, which may adversely affect low-skilled and minority workers' access to the types of jobs that offer health benefits.

This paper is the first to investigate the role of racial residential segregation in creating differential accessibility to jobs offering employer-sponsored health insurance. For this analysis, I merge data from both the household and employer surveys of the Multi-Study of Urban Inequality in Atlanta, Boston, Detroit, and Los Angeles—four large MSAs with diverse spatial structures in which high levels of racial residential segregation prevail, and for which the trend of increasing decentralization of less-skilled jobs has been especially pronounced. Using the employer survey, I develop unique detailed geographic measures of accessibility to less-skilled jobs that offer health insurance coverage.

I find the consistent patterns across all four MSAs that accessibility to less-skilled jobs offering health insurance coverage is greatest in predominantly white suburbs more than 10 miles from the centroid of black residential concentration, and that these “job-rich” areas are not served by public transportation. The results suggest that racial differences in accessibility to employer-sponsored health insurance contribute significantly to the racial gap in health insurance coverage among less-educated workers.