The United States has a unique health care system that is centered on job-based health insurance, with the federal and state governments filling in gaps for the aged and the needy. As the American Benefits Council (2018) explained, this has resulted in a system that delivers medical care efficiently with low tax burdens for its citizens. The Affordable Care Act (ACA) was designed to build on the employer-sponsored system.

In recent years, however, as lawmakers have struggled to make improvements to the ACA and political progressives have increasingly called for universal coverage through “Medicare for All”-type designs, the linkage of health insurance with employment has come under heavy scrutiny. In the context of a pandemic, when millions of individuals have lost their jobs and, therefore, their health insurance, this scrutiny has understandably intensified.

With the 2020 elections driving political and policy engagement, the Council sought to capture the opinions of American voters on the most vital employee benefits issues of the day. The Council partnered with the Public Opinion Strategies (POS), a nationally recognized public opinion research company, to conduct a national survey of likely voters to understand their opinions on health care, and especially employer-provided health care.

The results of that survey are clear: voters want to keep their employer-provided health care. In fact, the survey found that 76% of likely voters want employers to continue providing health care benefits as part of their jobs.

Jason Hammersla
American Benefits Council

Poll: Voters Overwhelmingly Want to Keep Employer-Provided Health Care
polling and research company, on a series of questions about health care coverage, retirement saving and paid leave. In an election night telephone poll, POS collected responses from 800 actual voters, yielding a statistically significant sample with a margin of error of +/- 3.46 percent.

To supplement the election night poll, the Council contemporaneously fielded an informal survey of 71 plan sponsor members and their peer organizations, asking those benefits professionals (one from each company) to speculate on the preferences of their fellow employees. Where applicable, those results are presented below alongside the POS results for comparison.

HEALTH POLICY

The data demonstrate that a majority of the voting public prefers the current system to the alternative, and even the most left-leaning voters are significantly split on the question. Any effort to de-link health insurance and employment at this stage runs the risk of widespread political resistance.

Bolstering Employer-Based Coverage

A majority of voters (55%) support strengthening the employer-based system rather than separating insurance from people’s employment status, which was supported by 32% of respondents. Table 1 shows how voters in all but two categories (18- to 29-year olds and self-identified liberals) favor maintaining the link between health insurance and employment.

At 39%, employers are the most trusted source to provide affordable high-quality health insurance coverage, compared to the government (total 31%) or the individual market (21%). Those 2020 numbers are generally consistent with data from 2017 and 2018 (See Figure 1), but do show some erosion that may be attributable to increased trust in the federal government.

This erosion can be inferred from a look at prior iterations of this question in 2017 and 2018. (It is important to note that these earlier polls omitted the word “affordable” in the question.) While it is impossible to know the reasons why people answered the way they did, it is plausible that people believe employers are the source of “high quality” health coverage, but people find it increasingly costly.

The Council (2014) asserted in a long-term strategic plan that, while individuals, employers and the government will continue to be the key stakeholders in the

<table>
<thead>
<tr>
<th>TABLE 1</th>
<th>Should Health Insurance Be Strengthened Through Employer or Separated from Employment?</th>
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</thead>
<tbody>
<tr>
<td>Overall</td>
<td>GOP (322) 65% 65% 46% 49% 60% 60% 40% 40%</td>
</tr>
<tr>
<td>Strengthen</td>
<td>IND (127) 46% 49% 60% 60% 40% 40%</td>
</tr>
<tr>
<td>Separate</td>
<td>DEM (342) 49% 60% 60% 40% 40%</td>
</tr>
<tr>
<td></td>
<td>ESI (424) 60% 60% 40% 40%</td>
</tr>
<tr>
<td></td>
<td>&lt;40K (156) 40% 40%</td>
</tr>
<tr>
<td></td>
<td>Liberal (196) 40% 40%</td>
</tr>
<tr>
<td></td>
<td>18-29yo (80) 40% 40%</td>
</tr>
</tbody>
</table>
benefits system, the role each one plays will evolve. During the past three years, the Council has periodically assessed the amount of trust individuals vest in these stakeholders with respect to both health and retirement security.

While the 2020 data reflect the continuing evolution of these roles, as well as the diversity of opinion among the electorate, it shows a clear plurality in favor of employer plans. The number of voters who most trust employers is more than double the number that most trust the federal government — the entity represented by popular Medicare-for-All proposals.

Table 2 shows trust for employers is consolidated mostly among Republican voters, older (but not yet Medicare-eligible) voters and those with employer-sponsored insurance (ESI). Unsurprisingly, as one moves further left on the political spectrum, trust for government increases, and movement further right increases support for the individual market. This suggests that increasing political polarization may be a factor in any erosion of trust in employers.

Perhaps most worthy of further examination, however, is the perception of benefits professionals themselves. In a separate, informal survey, all but one

<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>The Demographics of Trust in Employer-Sponsored Insurance (ESI)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Overall (800)</td>
</tr>
<tr>
<td>Employers</td>
<td>39%</td>
</tr>
<tr>
<td>Fed gov't</td>
<td>19%</td>
</tr>
<tr>
<td>State gov't</td>
<td>12%</td>
</tr>
<tr>
<td>Indiv. Mkt</td>
<td>21%</td>
</tr>
</tbody>
</table>
of 71 benefits professionals said they thought their employees prefer employer-supplied insurance.

While there is likely selection bias and confirmation bias present in this small sample, the overwhelming result is evidence of a disconnect between those tasked with administering health plans and the general voting population — even accounting for the strongest subset of 2020 voters — those with ESI.

**ANALYSIS**

The data suggest that trust in any stakeholder to provide affordable, high-quality health care has become increasingly fragmented and, to some degree, politicized. While employers can still boast that they are the most trusted of the various stakeholders, the trend data suggest that they appear to be losing ground to federal and state governments. This implies an increasing appetite for the government to take on a larger role in the provision of health insurance.

One cannot discount the potential impact of the economic consequences of the pandemic, which has resulted in many people losing health coverage or feeling concern that they will lose coverage. Likewise, benefits professionals may be under a misapprehension about the degree to which their fellow employees trust them, which suggests that employers need to keep building (or rebuild) that trust through communication, innovation and service.

This examination also raises valid questions about employer objectives and how HR professionals execute designed strategies. Whether employee benefit programs are intended to boost recruitment and retention, improve productivity, support their employee community or all of the above, the efficacy of those approaches may ultimately be dependent on how much the employer is trusted.

**LOWERING COSTS IS A PRIORITY**

Lowering costs should be the priority for the 2021 Congress, according to both the voters poll and the follow-up survey of 71 benefits professionals. However, those benefits professionals demonstrated noticeably stronger sentiment for lowering costs (64%) than voters (48%). Almost one-third (31%) of the responding voters said expanding coverage should be the priority, while 17% said improving quality.

For much of the past two decades, the health care policy debate — including the negotiation and enactment of the Affordable Care Act — has focused on improving access to coverage, rather than cost or quality. This emphasis on coverage has now grown to encompass universal health care proposals such as Medicare for All.

The ACA is widely acknowledged to have been instrumental in expanding coverage to tens of millions of previously uninsured Americans, including many with pre-existing health conditions. As a political lightning rod for health care policy, the constant peril of the ACA — and the progressive focus on universal coverage — continues to frame the debate in a way that does not address what appears to be voters’ top priority.
These results underscore the intense cost pressures currently facing employer health plan sponsors.

**ANALYSIS**

Acting on behalf of employers whose plans cover more than half the country, the Council has urged policymakers to devote the same energy to health price transparency, payment reform, provider competition, innovation and other policies with the potential to lower health care costs and incentivize high-value care. These poll results indicate that the voting public agrees.

Among the 368 individuals in the survey who currently have ESI, six in 10 would not choose a government-run plan over their current employer-provided plan (without knowing anything about the cost or other details of the public plan). Forty percent indicated it would “not at all be likely” that they would switch while 20% indicated the chances of them switching as “not too likely.”

Furthermore, those who were unlikely to enroll in a public plan option typically trusted employers most and prioritized lowering costs and improving quality over the expansion of coverage, suggesting partisan consistency.

While President Biden did not embrace Medicare-for-All proposals as a candidate, his health policy platform proposes a new federal public plan option, which would be offered to everyone including employees (and their families) who have access to employer-sponsored coverage, through the ACA Marketplace. With slim majorities in Congress, it is unclear whether Biden will try, or be able, to advance this proposal.

As long as the concept is on the table, there will be persistent concern within the employer plan sponsor community about how such a public option would be implemented in the marketplace and, in particular, whether the payment rates for the public option would result in cost-shifting to other payers.

Most voters who currently have employer coverage are not likely considering these broader consequences of a public option but are nevertheless wary about relinquishing their coverage in favor of a public option. These results lend
support to the idea that employer coverage remains the coverage people like and want to keep.

**HELP WHEN COVERAGE IS LOST**

Fifty-nine percent of responding voters with ESI would want the federal government to help them with health insurance in the event they lost their coverage due to COVID-19, though there is no clear preference whether this should be done by subsidizing COBRA or individual market coverage.

While a significant portion (37%) of respondents would prefer that the government not get involved, a majority (59%) would support some form of federal assistance to maintain health care coverage. Within that majority only, individuals favor COBRA coverage support over individual market support by a ratio of nearly two-to-one (63% versus 37%).

**ANALYSIS**

In light of the ongoing pandemic and its effect on the economy and employment, the Council has sought legislation to subsidize COBRA continuation coverage for laid-off or furloughed employees. The rationale is that it is better to keep individuals on their familiar, high-quality coverage without changing networks or re-setting deductibles. The public seems to agree, showing a subtle preference for COBRA subsidies. The Biden administration has responded by including such subsidies in his American Rescue Plan pandemic relief proposal, and at the time of this writing similar subsidies are included in Congress’ budget reconciliation bill and relief package.

**PAID LEAVE POLICY**

Voters are divided over whether they trust employers (47%) or government (45%, with 26% federal and 19% state) to ensure an adequate amount of paid leave from work.

These results illustrate consistent partisan tilt, with more conservative populations vesting more trust in employers (64% vs. 26% for liberals).

That’s much lower than benefits practitioner estimates. A two-thirds majority of benefits professionals (68%) believe their fellow employees trust their employer most to provide adequate paid leave, compared to just 32% who anticipate their employees would most trust the government (state or federal).

**ANALYSIS**

The recent explosion of state and local paid leave laws presents a severe administrative burden on large, multistate employers, who must often manage a patchwork of different and conflicting requirements.

Benefits professionals’ assessment of their fellow employees’ trust in employers is significantly less positive on matters of paid leave than on health care (or
retirement, as noted later in this report). Perhaps that acknowledgement offers some explanation for why these state and local laws have arisen in the first place. While these results do not match the data from the broader voting population, it is worth noting that the election night survey did not distinguish between employees at small businesses and those at large businesses, where generous paid leave is more common.

One positive message hidden in the data is that the populations most trusting of government show a preference for federal rather than state solutions, which aligns with the Council’s call for a uniform federal framework for plan administration.

**RETIREMENT POLICY**

A small majority of voters (52%) trust employers the most to help them achieve a secure retirement, with individually purchased products (24%) the second-most trusted. That trust in employers was up five percentage points from a similar survey taking during the 2018 midterm elections (see Figure 2).

But as with health care, benefits professionals had a much more favorable perception of that trust, with 97% saying they thought their employees trusted the company the most.

**ANALYSIS**

That difference between employee’s actual trust in employers and the benefits professionals’ perceptions suggest the need for continued innovation and improved communication.

It bears mentioning that the Election Night survey did not distinguish between employees at small businesses and those at large businesses, where generous retirement benefits are more common. It is also noteworthy that only a small segment of the population expressed the most trust in government, especially state

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**FIGURE 2** Which One of the Following Sources Do You Trust the Most to Help you Achieve a Secure Retirement?

<table>
<thead>
<tr>
<th>2018 Election Night</th>
<th>2020 Election Night</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Employer</td>
<td>47%</td>
</tr>
<tr>
<td>Federal Gov’t</td>
<td>24%</td>
</tr>
<tr>
<td>State Gov’t</td>
<td>13%</td>
</tr>
<tr>
<td>Products purchased individually</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
</tbody>
</table>

| Your Employer       | 52%                 |
| Federal Gov’t       | 7%                  |
| State Gov’t         | 24%                 |
| Products purchased individually | 13% |
| Other               | 5%                  |
government, where efforts persist to establish publicly run retirement accounts for private-sector employees without coverage. Taking this a step further, it may also suggest some degree of doubt that Social Security will continue to be viable or sufficient to provide financial security.

**BOLSTERING 401(K) PLANS**

Not surprisingly, a majority of 401(k) plan participants would be more likely to contribute to their plans if certain features were added, and less likely to contribute if the tax benefits were reduced.

As shown in Table 3, the most effective retirement plan feature for improving retirement plan contributions would be the inclusion of a “guaranteed lifetime income” investment option, which would hypothetically make 86% of 401(k) participants more likely to contribute to the plan — although the probable trade-offs for such features were not explained to survey participants.

Other features, like programs to pay down loans (such as student loans), higher contribution limits and automatic increases in contributions (commonly known as “automatic escalation”), would each be from 50% to 65% more likely to motivate individuals to contribute more money to their plans.

“Less favorable” tax benefits for 401(k) contributions — the exact details of which were left to the imagination of the respondent — would be likely to result in reduced plan participation for more than half of plan participants surveyed (55%).

**ANALYSIS**

As illustrated earlier, voters trust employers most to provide them with opportunities to save for retirement. Given the overall decline in traditional, defined benefit pension plans and the persistent burdens of pension plan administration, employer-sponsored defined contribution arrangements, such as 401(k) plans, represent the most effective platform for retirement savings. Challenges remain, however, in expanding both the reach and adequacy of these plans.

**TABLE 3 The Likely Effects of Potential 401(k) Reforms on Contributions, by Income**

<table>
<thead>
<tr>
<th>Total More Likely to Contribute, Provided:</th>
<th>Overall</th>
<th>&lt;$40K</th>
<th>$40-$60K</th>
<th>$60-$80K</th>
<th>$80-$100K</th>
<th>&gt;$100K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed income</td>
<td>86%</td>
<td>78%</td>
<td>91%</td>
<td>90%</td>
<td>87%</td>
<td>86%</td>
</tr>
<tr>
<td>Programs to pay down loans</td>
<td>65%</td>
<td>67%</td>
<td>55%</td>
<td>73%</td>
<td>67%</td>
<td>63%</td>
</tr>
<tr>
<td>Contribute more money</td>
<td>61%</td>
<td>44%</td>
<td>46%</td>
<td>57%</td>
<td>56%</td>
<td>67%</td>
</tr>
<tr>
<td>Auto-escalation</td>
<td>52%</td>
<td>56%</td>
<td>52%</td>
<td>46%</td>
<td>55%</td>
<td>54%</td>
</tr>
</tbody>
</table>
Several innovative plan features have been proposed to improve participation and overcome barriers to saving, many of which show promise, according to this survey data. As with most proposals of this kind, the costs and other details regarding their application would likely influence these results. For example, investment products providing for guaranteed lifetime income would, of course, need to provide adequate income to be attractive to current and future retirees.

During the campaign, President Biden expressed interest in reducing the tax benefits or contribution limits for 401(k) plans, at least for higher earners. The survey data shows that this would likely lead to fewer contributions from over half of affected participants.

Additional features, including in-plan opportunities to set aside non-retirement “emergency savings” funds, have also been suggested by experts. The Council intends to gather data on that feature in future surveys.

**STATE VS. FEDERAL ACTION**

A majority of voters (57%) believe standards for employer-provided benefits should be set at the federal level, but one-third (32%) favor state action.

**ANALYSIS**

The proliferation of state and local laws affecting employee benefits – particularly with respect to paid leave programs and retirement plan mandates – continues to put pressure on multistate employers that strive to provide uniform, consistent benefits across their workforce. While the majority of voters support the kind of federal standards that make such uniformity possible, largely on principle, there is evidence that partisan support for federal standards tends to shift depending on which party controls the federal government, suggesting a significant proportion of voters who simply prefer standards set by those who agree with them ideologically.

The Council’s public policy advocacy in support of federal rulemaking — as embodied by ERISA’s federal preemption standard — can continue to boast the overall support of voters but must account for apparent biases in the general public by emphasizing the practical consequences of state and local lawmaking run amok.
CONCLUSIONS AND TAKEAWAYS FOR BENEFITS PROFESSIONALS

Voters in both parties see the full range of public policy issues – including employee benefits issues – through a partisan lens. Many matters that were once typically perceived as nonpartisan and noncontroversial have taken on a partisan hue, especially as they are taken up and reframed by national media. Moving forward, HR professionals would do well to anticipate the probable political implications of their compensation and benefits decisions.

Employers continue to enjoy a privileged position of trust among American voters when it comes to accessing health and retirement security and paid leave. This trust is not automatic, however, and may be eroding especially among younger voters and on the subject of paid leave. To enhance this relationship, HR professionals may need to provide more innovative and tailored benefits experiences, especially for the younger demographic subgroups in their employee population.

Employers and HR professionals themselves may be operating from a position of overconfidence in their fellow employees' perceived trust with respect to employee benefits. The disconnect between voter attitudes and the assumptions of benefits professionals may suggest that individual companies would score relatively high on the measure of trust, but as one widens the focus to assess views of the corporate community as a whole — trust decreases significantly.

Voters generally favor federal standards to state and local standards, which gives strength to companies' arguments that federal law should (and ERISA already does) preempt municipal mandates on retirement plans and paid leave programs. It should be noted, however, that the minority favoring state and municipal standards is significant enough that state action will continue, especially where local government is controlled by a different party than that of the U.S. Congress and the executive branch. In the short term, HR professionals at multi-state companies may have little choice but to establish national policies that meet the panoply of state requirements, even if such policies are eventually undercut by a “race to the bottom” at the state level. In the long term, employers must educate their federal representatives about the need for a federal approach rather than a patchwork of state and local laws.

While there may be a great deal of rhetorical support for delinking health insurance from employment, employer-sponsored health coverage still has majority support, and people are likely to stick with their health coverage even if a public option were available. Given the current political environment, the establishment of such a public option in the next two years is unlikely. But even if such a
public option is rolled out, HR professionals should be prepared for skepticism and relatively slow take-up.

For lawmakers trying to address pandemic-related loss of jobs and health coverage, the most popular course of action would be to subsidize coverage, ideally by funding employer-provided COBRA coverage. This appears to be another message from voters that employer-sponsored health coverage is the most desirable form of coverage, which should engender pride – and a sense of responsibility – among plan sponsors and HR professionals.

Policymakers have several promising options to choose from in their effort to expand and improve retirement plan coverage through the employer-sponsored system. The general inclination of voters to contribute more to their 401(k) plans indicates that workplace retirement plans are valued but enhanced participation may require regular incentivization. While the establishment of these popular retirement plan features require congressional action, their success will be dependent on adoption by plan sponsors, education by plan providers and marketing by HR professionals.

Likewise, Congress and the president should be very careful about any policy changes that would reduce the tax benefit of retirement plan participation, as this may ultimately damage long-term retirement security. HR professionals may be called upon to assess and explain the real-world implications of such changes and help participants determine if they will be affected.

ABOUT THE AMERICAN BENEFITS COUNCIL AND ITS STUDY

As a Washington, D.C.-based public policy organization, the American Benefits Council advocates for employers on employee benefits and compensation issues with policymakers in Washington, D.C., and the news media nationwide. As part of this mission, the Council makes frequent use of data to support its message.

The results of the election poll of 800 actual voters have a margin of error of +/- 3.46 percent. Results were segmented by numerous demographic characteristics as well as party self-identification. More than half (55%) of the survey’s respondents had health care coverage through their or their spouse’s employer while 29% had government-based coverage. These figures very roughly approximate the insurance levels most recently reported by the U.S. Census Bureau as part of the Current Population Survey. The full set of key findings are available here.

Financial support for this project was provided by the Alliance to Fight for Health Care – a broad-based coalition dedicated to protecting employer-provided health coverage – and Segal Co.
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