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STATE HEALTH ACCESS DATA ASSISTANCE CENTER

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The Struggle to Afford Employer-Sponsored Health Insurance (ESI) in 2024: A 50-State Review

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INTRODUCTION

New data for 2024 shows that employer-sponsored insurance (ESI) remains the dominant source of health insurance coverage in the United States, covering 54.6% of Americans.[1] For private-sector workers, ESI plays an even larger role—69.0% of eligible workers, or roughly 64 million individuals—got insurance from an employer or the employer of a family member (e.g., a spouse or parent). As ESI remains the cornerstone of health coverage amid rising uninsurance rates, tracking trends in ESI is vital for informing broader health policy.

In this latest update to a long-running series of analyses from SHADAC, we examine trends in ESI across the nation and at the state level, comparing new 2024 data to 2023 to show changes in availability, enrollment, and cost of ESI. Summary findings include:

- **Premiums** continue to rise. National annual family coverage premiums increased by over $600, or 3%, to $24,540 in 2024, reaching a price similar to that of a new Toyota Corolla.
- **By state, premiums** vary considerably. Family coverage premiums in 2024 ranged from $21,988 in Nevada to $28,151 in Massachusetts.
- **Deductibles** are growing even faster than premiums, at an average rate of over 8% for both single coverage and family coverage between 2023 and 2024.
- After a two-year decline, over 50% of the nation's workers (51.7%) and over 50% of workers in 33 states were enrolled in **high deductible health plans (HDHPs)** in 2024.

KEY TERMS AND DEFINITIONS

A **premium** is simply the amount paid each month to maintain health insurance coverage. **Employee contributions** are the monthly amount that an employee pays (usually as a paycheck deduction) as their portion of a premium cost. For instance, if an insurance premium is roughly $670 per month, then the average employee contribution to pay that cost may be roughly $150 and the employer's contribution may be $520.[2] All premium amounts referenced in this report are annual, however.

And a **deductible** is the amount paid out-of-pocket by an individual or family (depending on the type of coverage) before their health insurance company begins to cover the cost of medical expenses.

For more information on common health insurance terminology and their definitions, see SHADAC's recent blog resource.

UNDERSTANDING THE HEART OF ESI COSTS: PREMIUMS, CONTRIBUTIONS, AND DEDUCTIBLES

Monitoring costs associated with ESI is essential for understanding health care-related financial burdens for employees. To understand ESI costs, it is important to understand its three main components—premiums, employee contributions, and deductibles.

Premiums Are Continuing to Rise Faster than the Cost of Living

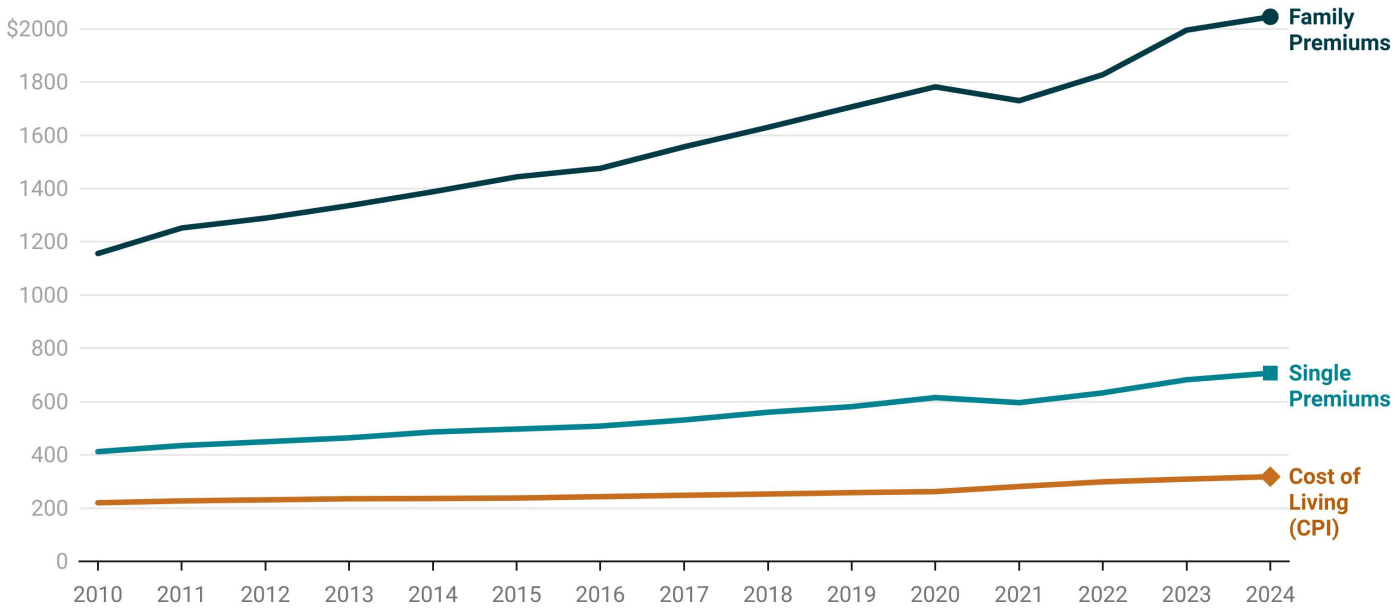
Nationally, the average annual premium for single coverage was $8,486 in 2024, an increase of over $300, or 4%, compared to $8,182 in 2023.

Family coverage premiums also increased between the two years, rising by $602, or 3%, from $23,938 in 2023 to $24,540 in 2024. For reference, this annual premium cost is equivalent to the cost of a new car like the 2025 Toyota Corolla or slightly less than the 9% national median down payment for a first-time homebuyer in the United States in 2024.

Additionally, as shown in the graph below, ESI premiums are consistently increasing at a rate that outpaces increases in the overall cost of living for the nation.[3]

Premiums growing faster than cost of living

Average premiums vs. cost of living, 2010–2024



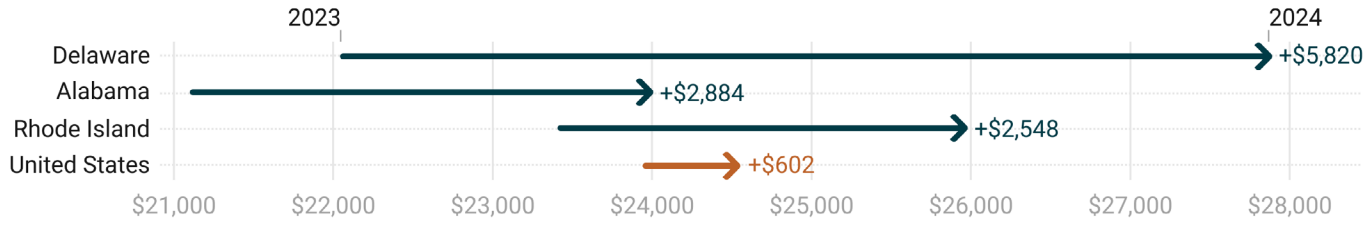
Cost of living is measured by the Consumer Price Index (CPI) revised, seasonally adjusted indexes and factors for the month of December for each year, 2010–2024. Premiums reflect monthly amounts.

Source: The CPI data come from the CPI Seasonal Adjustment Tables. Accessed December 2025: https://www.bls.gov/cpi/tables/seasonal-adjustment. Premium data comes from SHADAC analysis of MEPS-IC data, 2010–2024. • Created with Datawrapper

At the state level, three states saw statistically significant increases in average single premiums from 2023 to 2024, and no states saw decreases. Delaware saw the largest increase in average single ESI premiums between 2023 and 2024, increasing by nearly 20%, or $1,511, from $7,629 to $9,140. Illinois and Rhode Island also experienced significant rises in annual single premiums between 2023 and 2024, climbing by $713 in the former ($8,070 to $8,783) and $957 in the latter ($8,347 to $9,304). Meanwhile, annual premiums for single coverage were lowest in Nevada at $7,449, which was also significantly lower than the U.S. average.

Three states saw significant increases in average family ESI premiums from 2023 to 2024, and no states saw decreases. As with single ESI premiums, Delaware also had the largest increase in average family ESI premiums between 2023 and 2024, rising significantly by over 26%, or $5,820, from $22,049 to $27,869. Alabama also saw significant increases in family premiums, rising by nearly 14%, or $2,884, from $21,102 in 2023 to $23,986 in 2024. Rhode Island, too, saw a rise in family coverage premiums from 2023 ($23,412) to 2024 ($25,960)—an increase of $2,548, or almost 11%. And Nevada was once again the state with the lowest annual premiums, with an annual family coverage amount of $21,988 in 2024. *Visit State Health Compare to find annual premium data for single and family coverage for all 50 states.*

Top 3 increases in average annual family premiums, 2023 vs. 2024



Source: SHADAC Analysis of MEPS-IC data, 2023–2024 • Created with Datawrapper

Employee Contributions Are Holding Fairly Steady

At a national level, employee contributions remained steady, with single coverage contributions holding around 20% (20.0% in 2023 and 21.1% in 2024), and nearly 30% for family coverage (28.8% in 2023 and 29.4% in 2024).

A few states saw changes in contributions between the two years, however. Employee contributions for single coverage grew significantly in California (16.8% in 2023 to 21.7% in 2024) and North Dakota (13.5% in 2023 to 19.9% in 2024). For family coverage, Alaska and Montana experienced significant increases in contributions between 2023 and 2024: Alaskan employee contributions rose from 21.7% in 2023 to 33.0% in 2024, and Montana employee contributions rose from 24.1% in 2023 to 33.1% in 2024.

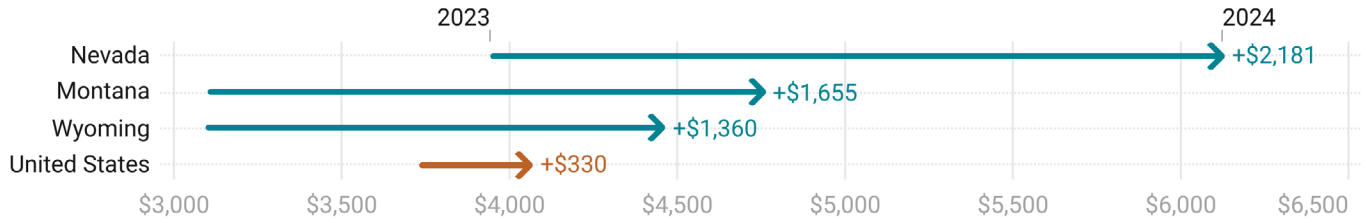
Deductibles Are Increasing Faster than Premiums, and in More States

The average national deductible for single coverage was $2,085 in 2024. This was a significant increase of $155 (or 8%) over the national average of $1,930 the year before. Family coverage experienced similar increases across the two years, as the average annual deductible across the U.S. was $4,063 in 2024—a growth of $330 (or 9%) from $3,733 in 2023.

More states saw significant growth in deductible amounts than premiums across coverage types between 2023 and 2024. Six states—California, Idaho, Michigan, Nevada, Pennsylvania, and Wyoming—experienced increases in single coverage deductibles from year to year. Nevada was by far the highest, climbing by $915 from $1,870 in 2023 to $2,785 in 2024, followed by Idaho (rising by $663) and Pennsylvania (rising by $468). Exempting the state of Hawaii (see Hawaii section in "Notes") from this analysis, the lowest single coverage deductible was found in the District of Columbia (D.C.) at $1,409 in 2024. No states saw decreases in single coverage deductibles.

Nine states also saw increases in annual family coverage deductibles from 2023 to 2024—Arkansas, California, Colorado, Montana, Nevada, North Dakota, Pennsylvania, Virginia, and Wyoming—with no states seeing decreases. As with single coverage deductibles, Nevada saw the largest increase in family deductibles as well, rising from $3,943 to $6,124 (a difference of $2,181 or 55%) between 2023 and 2024, with Montana (rising by $1,655 from $3,100 to $4,755) and Wyoming (rising by $1,360 from $3,097 to $4,457) also experiencing large increases in family deductibles as well. D.C. again claimed the lowest deductible in 2024, with family coverage rates at $3,049 in 2024. *Visit State Health Compare to find annual deductible data for single and family coverage for all 50 states.*

Top 3 increases in average annual family deductibles, 2023 vs. 2024



Source: SHADAC Analysis of MEPS-IC data, 2023–2024 • Created with Datawrapper

MORE EMPLOYERS ARE OFFERING ESI, BUT ELIGIBILITY AND ENROLLMENT INCREASES ARE NOT FOLLOWING

In much the same way we approach the affordability of ESI, understanding employee access to employer-sponsored insurance coverage means understanding its three key components—offer, eligibility, and take-up.

Offer of ESI Is on the Rise

In 2024, just under half of all private-sector firms (49.0%) chose to offer ESI coverage to employees, which was significantly higher than the percentage of firms that offered such coverage in 2023 (46.3%). Again, exempting the state of Hawaii (see Hawaii section in "Notes") from this analysis, the range of private-sector employers offering ESI coverage varied greatly across the states as compared to the U.S. rate, though not much variation was seen between the years of 2023 and 2024.

COMPONENTS OF ESI COVERAGE ACCESS

Employee Offer. An employee must work in an establishment that offers coverage.

Employee Eligibility. An employee must meet the criteria established by the employer to be eligible for coverage that is offered.

Employee Take-Up. The employee must decide to enroll in, or "take up," the offer of ESI coverage.

The District of Columbia (D.C.) saw the highest number of firms offering ESI coverage at 69.1% in 2024. Private-sector employers in six other states joined D.C. in offering higher rates of ESI coverage than the national average—Alabama (63.0%), Iowa (57.8%), Louisiana (55.4%), Ohio (56.0%), Rhode Island (57.6%), and Tennessee (57.2%).

Twice as many states (12) had rates of private-sector employers that offered ESI coverage at lower rates than the U.S. average in 2024—Alaska (34.7%), Florida (41.8%), Georgia (40.5%), Idaho (40.2%), Indiana (43.0%), Maine (41.6%), Minnesota (42.5%), Nebraska (40.4%), North Carolina (39.3%), Utah (40.1%), Vermont (41.5%), and Wyoming (38.8%).

Between 2023 and 2024, five states—Colorado, Louisiana, Montana, Rhode Island, and Texas—saw significant increases in the percentage of firms that offered ESI coverage to employees, led by a 10.8 percentage point leap in Rhode Island from 2023 (46.8%) to 2024 (57.6%). No states saw decreases.

Eligibility Holds Relatively Steady Year-Over-Year

In 2024, the percent of employees across the United States who worked at a firm that offered ESI coverage who were also eligible to access that coverage was 80.2%—a figure which held steady at the national level (78.8% in 2023) but varied across states.

In 2024, Oklahoma and D.C. had the highest percentage of eligible employees working at a firm that offered ESI coverage at 86.0% and 85.5%, respectively, and were among just five total states whose rates were higher than the U.S. average (also including Arkansas at 85.3%, Louisiana at 84.4%, and Nevada at 85.2%). Meanwhile, just 71.7% percent of employees in New York worked for an employer that offered ESI in 2024 and were eligible for that coverage, the only state that had a significantly lower rate than the U.S. average.

Just two states experienced significant decreases between 2023 and 2024: Florida, which fell from 87.1% to match the national rate of 80.2%, and Virginia, which dropped from 86.8% to 78.9%. By contrast, five states (Nevada, Oklahoma, Pennsylvania, Texas, and Wyoming) experienced a rise in employee eligibility from 2023 to 2024. Wyoming saw the largest increase, growing from 72.4% to 82.8% between the two years.

Enrollment (Take-Up) Remains Nearly Unchanged

Among employees eligible for ESI, overall enrollment remained statistically unchanged at the national level between 2023 and 2024, holding steady at 68.8% and 69.0% percent, respectively.

Enrollment rates remained relatively stable across states as well, with just two (D.C. and Nevada) seeing changes. The rate of employees who enrolled in ESI coverage fell in D.C. from a rate of 75.4% in 2023 to 69.8% in 2024. And just 61.8% of Nevada employees who were eligible for ESI coverage also enrolled in that same coverage in 2024, dropping nearly 10 percentage points (PP) from 71.4% in 2023. No states experienced significant increases in ESI enrollment between 2023 and 2024.

More than Half of ESI Enrollees Are Participating in a *High Deductible Health Plan (HDHP)*

High deductible health plans (HDHPs) represent an increasingly common part of ESI enrollment. High deductible health plans, as the name implies, are health insurance plans where enrollees pay a low (or no) monthly premium but have a higher deductible and higher out-of-pocket maximum compared to a traditional health plan.

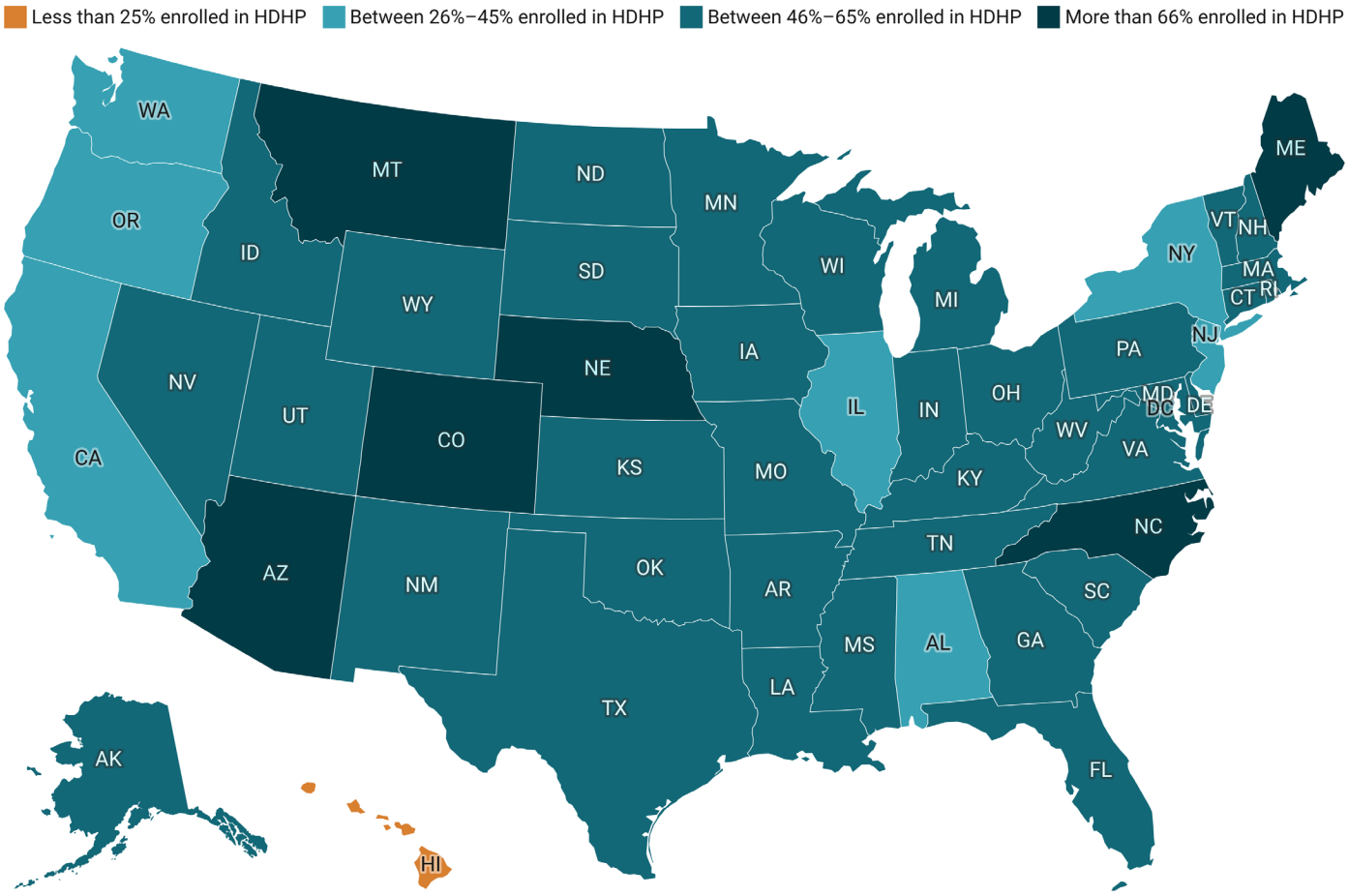
While a low or no monthly premium may save enrollees in upfront costs, the high deductible and out-of-pocket maximum means that all expenses must be paid out-of-pocket until that high deductible is met. HDHPs are also defined by needing to meet the minimum deductible amount required for Health Savings Account (HSA) eligibility (i.e., deductibles cannot be lower than the minimum threshold). According to the Internal Revenue Service (IRS), these minimums were $1,600 for an individual and $3,200 for a family in 2024.[4]

Nationwide, in 2024, the share of employees enrolled in a high deductible health plan (HDHP) plan was 51.7%, which held steady compared to 2023.

In 2024, 33 states saw more than half of private-sector employees enrolled in HDHPs. In 22 states, more than 60% of workers were enrolled in an HDHP in 2024. Arizona had the highest percentage of HDHP-enrolled employees at 70.2%, and California fell at the other end of the spectrum with just 32.0% of employees enrolled in HDHPs. It should be noted that overall, Hawaii actually had the lowest percentage of employees enrolled in HDHPs (20.6%) but, as mentioned earlier, we considered Hawaii as functionally exempt from this portion of the analysis for reasons that are detailed in the "Notes" section below.

In most states, enrollment in HDHPs was stable. Only four states saw increases from 2023 to 2024—Arkansas, Montana, Nevada, and Pennsylvania—while only South Dakota saw a significant decline in the percentage of private-sector employees who were enrolled in an HDHP. *Visit State Health Compare to find annual HDHP enrollment data for all 50 states.*

High deductible health plan (HDHP) enrollment among the states, 2024



Source: SHADAC Analysis of MEPS-IC data, 2024 • Created with Datawrapper

CONCLUSION

Employer-sponsored insurance (ESI) remains the predominant source of health coverage in the United States. Access to ESI has remained stable, with increasing numbers of employers offering this type of coverage to their employees and both eligibility and enrollment held steady between 2023 and 2024.

At the same time, costs have been rising. For more than a decade, ESI premiums have increased at a rate that outpaced inflation, and average deductibles are climbing even faster. In response, employees seem to be shifting to lower-premium options in the form of HDHPs. In 2024, over 50% of the nation's workers and over 50% of workers in 33 states were enrolled in HDHPs, making this form of ESI coverage the norm for most workers. However, while HDHP enrollees may save on initial premium costs, if an unexpected health event occurs (e.g., an accident, chronic illness, pregnancy), individuals may face thousands of dollars in upfront costs before insurance coverage kicks in.

Given ESI's critical role in the American health insurance system as the largest source of coverage, urgent action is needed. These cost pressures place a financial burden on both employers and employees, threatening the overall security that ESI was designed to provide. Current cost trajectories pose serious barriers to ESI for working families, and the potential "solution" of enrollment in HDHPs carries its own risk of financial burden. Cost pressures could also lead employees and families to potentially choose to avoid or delay care to save on costs (sometimes called forgone care), which can lead to negative health outcomes and potentially even greater health care costs in the future.

As noted in a recent KFF report, employers are trying to find creative ways to mitigate health care and coverage costs, with most offering some kind of wellness program that provides financial incentives to complete health screenings to identify current or potential health issues and manage chronic conditions. However, evaluation studies have found these programs have mixed results when it comes to actually reducing costs and effecting changes to health behaviors versus health outcomes. Therefore, alongside these newer efforts, the need remains to address the underlying cost drivers impacting American workers to ensure that ESI remains not only widely available, but also truly affordable.

SHADAC'S SURVEY DATA SEASON

This narrative is part of SHADAC's Survey Data Season 2025 findings.

To find out more about our analysis of other types of health insurance coverage, see the following products:

- A blog and infographic detailing the release of coverage changes at the national level using the Current Population Survey (CPS).
- Drawing from the American Community Survey (ACS), SHADAC produced an analysis of health insurance coverage changes at the state-level, and also looked at changes for specific age groups, like children (age 0-18) and nonelderly adults (age 19-64).

To revisit past ESI reports and analyses from SHADAC, see the following products:

- A printable version of the 2024 ESI Report Narrative (analyzing 2023 data), highlighting key findings at the national and state level regarding ESI coverage, affordability, and access in the wake of the COVID-19 pandemic.
- A set of infographics that provide illustrated snapshots of variation in ESI costs across U.S. states in 2022.

NOTES

Data

Data are from the Medical Expenditure Panel Survey–Insurance Component (MEPS-IC), produced by the Agency for Healthcare Research and Quality (AHRQ). Data on trends in ESI premiums, deductibles, employee contribution, and high deductible health plans starting in 2002 and running through 2024 are available on SHADAC's State Health Compare web tool at statehealthcompare.shadac.org.

All changes and differences described in this report are statistically significant at the 95 percent confidence level, unless otherwise specified. This analysis and linked products only pertain to employers, establishments, and employees in the private sector. Average premium prices have not been adjusted to account for variation in actuarial value.

Hawaii as an Exception

Hawaii has a broad employer mandate that preceded the ACA and sets a "minimum standard of care." In order to protect employees from high medical care costs, the Hawaii Prepaid Health Care Act, enacted in 1974, requires private employers to provide health insurance for employees who: 1) work at least 20 hours (some exceptions apply), and 2) who suffer a disability due to non-work related illness or injury. Employers are provided with several different options for types of plans they can offer, all of which must be reviewed and approved by the Director of the Department of Labor and Industrial Relations (DLIR) to ensure they meet the minimum standards. Employers are required to pay at least 50% of monthly premiums, though many choose to pay more (even up to 100%).

Because of this guarantee of coverage, employees are less likely to face high premiums for coverage and care and therefore are less likely to try and save in upfront costs by enrolling in high deductible health plans (HDHPs). Since Hawaii is the only state with this unique mandate, we reviewed the state's data as part of our internal analysis but choose to exclude it in our reporting as it is not always able to be directly compared to other states.

SOURCES

[1] U.S. Census Bureau. (2025, September 10). American Community Survey Tables for Health Insurance Coverage (Table HI05_ACS. Health Insurance Coverage Status and Type of Coverage by State and Age for All Persons: 2024). https://www.census.gov/data/tables/time-series/demo/health-insurance/acs-hi.html

[2] Estimates based on Bureau of Labor Statistics data from 2023.

U.S. Bureau of Labor Statistics (BLS). (2024, April 11). Medical care premiums in the United States, March 2023. *Employee Benefits Factsheet*. https://www.bls.gov/ebs/factsheets/medical-care-premiums-in-the-united-states.htm

[3] SHADAC uses the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI) seasonally adjusted data for the month of December each year to produce our estimate of the cost of living. The CPI is a measure of the average monthly price that urban consumers pay for a list of common goods and services, such as food, housing, transportation, energy, and more.

U.S. Bureau of Labor Statistics (BLS). (2025, February 12). Consumer Price Index: CPI Seasonal Adjustment Tables. https://www.bls.gov/cpi/tables/seasonal-adjustment/

[4] These minimums have risen to $1,650 for an individual and $3,300 for a family in 2025. They will rise again to $1,700 for an individual and $3,400 for a family in 2026.

Internal Revenue Service (IRS). (2025, January 13). Health Savings Accounts and Other Tax-Favored Health Plans (Pub. 969). *Department of the Treasury*. https://www.irs.gov/pub/irs-pdf/p969.pdf