

Study shows rise in teachers' health insurance costs

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A new study by a University of Arkansas professor and doctoral student found that school district costs for teachers' health insurance in 2012 were, on average, 26 percent higher than those for private-sector professional employees.

The information will be published online today, Feb. 13, in *Education Next*. Robert Costrell, holder of the Twenty-First Century Chair in Accountability, and Jeffery Dean, a Distinguished Doctoral Fellow in education policy, are co-authors.

The study, which used data from the Bureau of Labor Statistics, found the average annual health insurance cost for teachers was \$8,559 compared to \$6,803 in the private sector. When adjusted for higher participation rates in health-care plans among teachers versus private-sector professionals, the costs are 16 percent higher for teachers (\$9,838 versus \$8,490 in the private sector). School district costs for teachers' insurance rose at an average annual rate of 4 percent above inflation from 2004 to 2012.

"The Rising Cost of Teachers' Health Care" will appear in the spring issue of the magazine. *Education Next* is a scholarly journal that is a joint project of Stanford University's Hoover Institution and Harvard University's Kennedy School of Government.

Recognizing that recent battles over collective bargaining in Wisconsin and other states have focused significantly on health insurance costs, the

study also examines new data from Wisconsin to quantify the impact of that state's recent change in collective bargaining law, finding a reduction in district health insurance costs of 13 to 19 percent.

Comparing unionized and non-unionized workers in both the public and private sectors, the authors find that "unionization is associated with higher total premiums, higher employer costs and lower employee contributions in both the public and private sectors." Widely varying teacher unionization across states helps explain large differences in employer and employee health insurance costs.

Provided by University of Arkansas

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