

# Has health insurance provision affected young adults' living arrangements?

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Since September 2010, the Affordable Care Act (ACA) has allowed U.S. parents to include their children on their private health insurance plans until the age of 26 years. A study published in *Contemporary Economic Policy* found that this provision is linked with a higher likelihood that young adults live with their parents.

The study examined data from the Survey of Income and Program Participation, a nationally-representative household survey that includes extensive information on household composition, economic outcomes, health insurance, demographics, and participation in government programs. The ACA provision was associated with a 7% to 18% increased likelihood that young adults live with a parent, depending on the data set and specification.

The dependent care provision was intended to address the high rate of un-insurance among young adults. Studies show that the provision so far has been successful, but it may have inadvertently reduced young adults' flexibility regarding geographic location since living near a parent typically will be needed to stay in the parent's provider network and take advantage of a parent's [health insurance coverage](#).

"Our findings provide new evidence that the ACA dependent care provision encourages young adults to live with their parents, since doing so allows them to obtain insurance at little or no cost. It will be interesting to see whether this shift affects other outcomes, such as [labor market](#) and educational decisions, particularly since the pandemic seems to be accelerating the trend of [young adults](#) moving in with their parents," said corresponding author Pinka Chatterji, Ph.D., of the University at Albany, SUNY.

**More information:** Pinka Chatterji et al, Health insurance and the boomerang generation: Did the 2010 ACA dependent care provision affect geographic mobility and living arrangements among young adults?, *Contemporary Economic Policy* (2021). [DOI: 10.1111/coep.12551](https://doi.org/10.1111/coep.12551)

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