



Medicaid Coverage and Education

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May 1, 2014

Few sectors of the American economy can rival the public distress caused by the high cost of health care, but higher education comes close. The price of a college diploma is rising, even as employment opportunities for graduates are shrinking. According to a recent survey conducted by the American Action Forum, more than half of respondents don't believe that a college diploma is worth \$26,000 of debt, let alone the full \$200,000 bill for a private, 4-year university. And yet, education is still deeply correlated with success, as can be seen in many other areas of American life.

Returning to health care, we can roughly gauge financial stability using the rate of coverage by Medicaid, a federal health care program for low-income households that cannot otherwise afford health insurance. As demonstrated in the chart below, 1 in 4 American adults without a high school diploma are enrolled in Medicaid, a stark contrast from the 1 in 20 college educated adults enrolled. While the largest reduction in Medicaid coverage rate is a result of completing a high school education, a college education does appear to have a significant impact on Medicaid coverage.

However, the difference in Medicaid enrollment among high school and college educated senior citizens is strikingly minimal. Despite gaining coverage through Medicare—another federal health care program designed to provide health insurance for the elderly—at the age of 65, the percentage of educated Americans that require the additional assistance of Medicaid increases. One probable explanation is the burden of financing expensive illnesses, as well as long-term and end of life health care.

