

For immediate release

ACA repeal could cost California more than 200,000 jobs

New study shows the severity of economic losses in California tied to repealing the ACA, especially in the Central Valley where residents rely heavily on public health insurance.

CONTACT: Jacqueline Sullivan | IRLE Media Relations
jsullivan@berkeley.edu, (510) 604-2289

December 20, 2016

Berkeley – New research from the University of California, Berkeley’s Center for Labor Research and Education shows that repealing the Affordable Care Act would not only take away health insurance from millions of Californians, but would also eliminate 209,000 jobs and cost the state economy \$20.3 billion in GDP.

The work is presented in a brief, “[California’s Projected Economic Losses under ACA Repeal](#),” that reveals that the state’s economic losses would be especially severe in the Central Valley, where unemployment is already high and residents rely heavily on Medi-Cal.

The biggest blow to California would be a reduction of \$20.5 billion in annual federal funding if the next Congress ends the expansion of Medi-Cal that serves 3.7 million Californians and the subsidies for more than 1 million low-and middle income individuals purchasing health insurance through Covered California.

“California has made tremendous gains since 2014 in reducing inequities in access to health insurance,” said Laurel Lucia, co-author of the report. “If Congress repeals the ACA, those historic coverage gains would be reversed at the same time that Congress cuts taxes for insurers and high-income households.”

Repeal of the ACA could include tax cuts to high-income individuals and insurers; and the elimination of penalties for uninsured individuals and large employers not offering affordable health insurance to employees. The economic effects of these changes, worth a combined total of \$7.6 billion to California’s residents and businesses, are included in the [study](#).

The study’s key findings include:

- The impact would be felt most in California counties with high Medi-Cal enrollment. Of the seven medium- to large-sized counties in which more than 10

percent of the population relies on the Medi-Cal expansion, six already suffer from high unemployment.

- Each of these high-impact counties is estimated to lose thousands of jobs on net with a partial ACA repeal: Fresno (6,000), Kern (5,000), San Bernardino (12,000), San Joaquin (4,000), Stanislaus (3,000), and Tulare (3,000).
- Los Angeles County is expected to lose 63,000 jobs.
- An ACA repeal would especially harm workers in the healthcare industry, which is estimated to lose 135,000 of the 209,000 eliminated jobs.
- Many other industries would also be adversely affected by an ACA repeal, including healthcare suppliers and local businesses such as restaurants and retail outlets where healthcare workers spend their income.

Not only would California experience substantial loss of jobs and GDP, but the researchers estimate that the state and local governments would lose a total of \$1.5 billion in tax revenue as a result of declines in income tax, sales tax, and other tax revenue.

“While the nation debates whether President-elect Trump saved 730 manufacturing jobs in Indiana, nearly seven times that many jobs could be lost in Kern County (Bakersfield, California) alone if the ACA is repealed,” said Ken Jacobs, Labor Center chair and co-author of the report.

Jacobs added that he expects job losses across the country due to ACA adjustments or abolition.

The researchers used [IMPLAN](#), the industry standard economic modeling tool, to analyze the impact of a repeal of the ACA on jobs and other economic indicators.

Related information:

- Read more Labor Center research on the [“ACA Repeal in California: Who Stands to Lose?”](#)

CONTACT

Laurel Lucia, report co-author, healthcare program manager, Center for Labor Research and Education at UC Berkeley, laurel.lucia@berkeley.edu, (510) 642-1851 (office) or (510) 432-2565 (cell)

Ken Jacobs, report co-author, Chair, Center for Labor Research and Education at UC Berkeley, kjacobs9@berkeley.edu, (510) 643-2621 (office), (415) 516-3135 (cell)

####