

Fact Sheet: Projected Economic Losses under ACA Repeal in California's San Joaquin Valley

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Our [data brief](#) published in December 2016 showed that President-elect Donald Trump's promise to repeal the Affordable Care Act (ACA) would not only take away health insurance from millions of Californians, but would also eliminate 209,000 jobs and \$20.3 billion in GDP from the state economy. 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, including healthcare suppliers and local businesses where healthcare workers spend their money.

The economic losses would especially be felt in San Joaquin Valley counties, as shown in Exhibit 1. The unemployment rates in all of these counties are already higher than the statewide average rate (Exhibit 1) even before the job loss projected to occur under ACA repeal.

Exhibit 1: Net Job and GDP Loss under ACA Repeal, and Current Unemployment Rate

	Projected Net Loss under ACA Repeal		Current Unemployment Rate (October 2016)
	Jobs	GDP (\$ millions)	
Fresno County	-6,000	(\$516)	9.2%
Kern County	-5,000	(\$359)	9.1%
Kings County	-600	(\$44)	9.0%
Madera County	-700	(\$56)	8.4%
Merced County	-2,000	(\$129)	8.6%
San Joaquin County	-4,000	(\$324)	7.6%
Stanislaus County	-3,000	(\$283)	7.9%
Tulare County	-3,000	(\$193)	10.8%
San Joaquin Valley subtotal	-24,000	(\$1,904)	8.8%
California total	-209,000	(\$20,337)	5.3%

Note: Job impacts are rounded to the nearest 1,000 jobs if over 1,000, or nearest 100 jobs if under 1,000.

Sources: Authors' analysis using IMPLAN. California Employment Development Department, [Monthly Labor Force Data for Counties](#), October 2016.

These San Joaquin Valley counties would be especially harmed by ACA repeal because of the counties' high rates of enrollment in Medi-Cal, including in the ACA expansion to certain adults. All of these counties have a higher share of their population enrolled in Medi-Cal (ranging from 37.9% to 55.0%) than the statewide average (34.5%). All of these counties except Kings County also have a higher share of their population enrolled in the Medi-Cal expansion (ranging from 9.7% to 12.2%) than the statewide average (9.4%). ACA repeal would immediately eliminate coverage for those

enrolled in the Medi-Cal expansion, but coverage is also potentially at risk for all Medi-Cal enrollees under proposals to change how Medi-Cal is funded, which may be considered by Congress.

Exhibit 2: Percentage of Population Enrolled in Medi-Cal

	Medi-Cal overall	Medi-Cal expansion
Fresno County	49.9%	12.0%
Kern County	45.1%	10.9%
Kings County	37.9%	8.9%
Madera County	45.3%	9.7%
Merced County	51.5%	12.2%
San Joaquin County	40.9%	10.2%
Stanislaus County	44.5%	11.6%
Tulare County	55.0%	11.9%
San Joaquin Valley subtotal	46.7%	11.2%
California total	34.5%	9.4%

Note: Job impacts are rounded to the nearest 1,000 jobs.

Sources: Dietz M, Lucia L, Kominski GF, and Jacobs K, [ACA Repeal in California: Who Stands to Lose?](#), UC Berkeley Center for Labor Research and Education and UCLA Center for Health Policy Research, December 2016. Graves S, [Fact Sheet: Medi-Cal Reaches Millions of People Across California but Faces an Uncertain Future](#), California Budget & Policy Center, November 2016.

Under ACA repeal, California would lose approximately \$20.5 billion in annual federal funding for the Medi-Cal expansion and Covered California subsidies. At the same time as millions of low- and middle-income Californians lose their health insurance, ACA repeal would give \$6.3 billion in tax cuts to California insurers and high-income households, plus eliminate nearly \$1.3 billion in penalties for uninsured individuals and employers not offering affordable coverage, assuming that ACA repeal is modeled after a bill Congress passed in 2015. This analysis reflects the net effect of these changes.

The loss of federal healthcare funding would lead to direct job loss in the healthcare industry, in addition to job loss at healthcare industry suppliers, such as food service, janitorial, and accounting firms. The lost jobs also reflect the “induced effect” of healthcare workers spending less at restaurants, retail stores, and other local businesses. These estimates also account for the fact that, without repeal of the ACA, the federal dollars would circulate through the state economy multiple times until the dollars eventually leave the state when consumers purchase goods or services that are produced elsewhere. The researchers used IMPLAN, an industry standard economic modeling tool, to analyze the impact of a repeal of the ACA on jobs, GDP, and state and local tax revenue.

See the full data brief: <http://laborcenter.berkeley.edu/pdf/2016/Californias-Projected-Economic-Losses-under-ACA-Repeal.pdf>.

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