



An Uncertain Future Do Undergraduate Dreams Match Post-Graduation Reality?

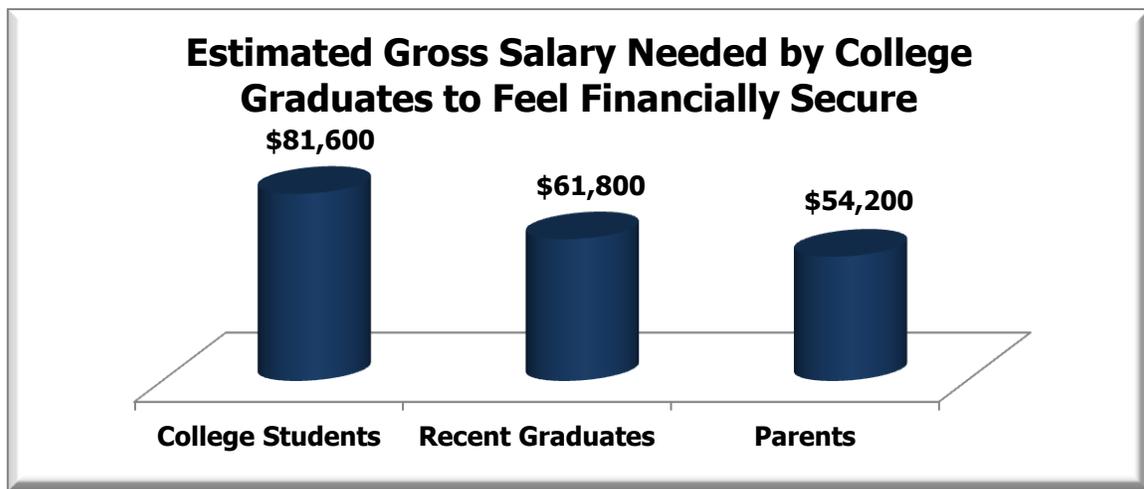
Often, one's college years are full of optimism about the first few years of adulthood, especially with regard to financial independence or career aspirations. It's only natural to hope for the best – but how realistic are the goals and expectations of today's undergrads?

A new study by eHealthInsurance¹ finds that the new crop of college graduates may be in for a surprise when they finally dip their toes into the job market. Not only might their incomes be on the lower end of their expectations, they may go months without health insurance or have to put their careers on hold in order to stay covered. Some may even choose student loan payments over healthcare costs when first starting out in the real world.

1) JOB MARKET JITTERS

- **Imaginary Incomes.** On average, college students estimate that they need an annual gross salary of just over \$81,000 in order to feel financially secure. Their counterparts who are recent graduates are a little bit more practical, with an average ideal income of around \$61,000.
 - On average, female grads place this figure at a much higher amount (\$80,300 vs. \$42,300 for males).
- **Reality Check.** Parents of these young adults know that their kids don't even need to be that comfortable to succeed – their magic number is just around \$54,000.

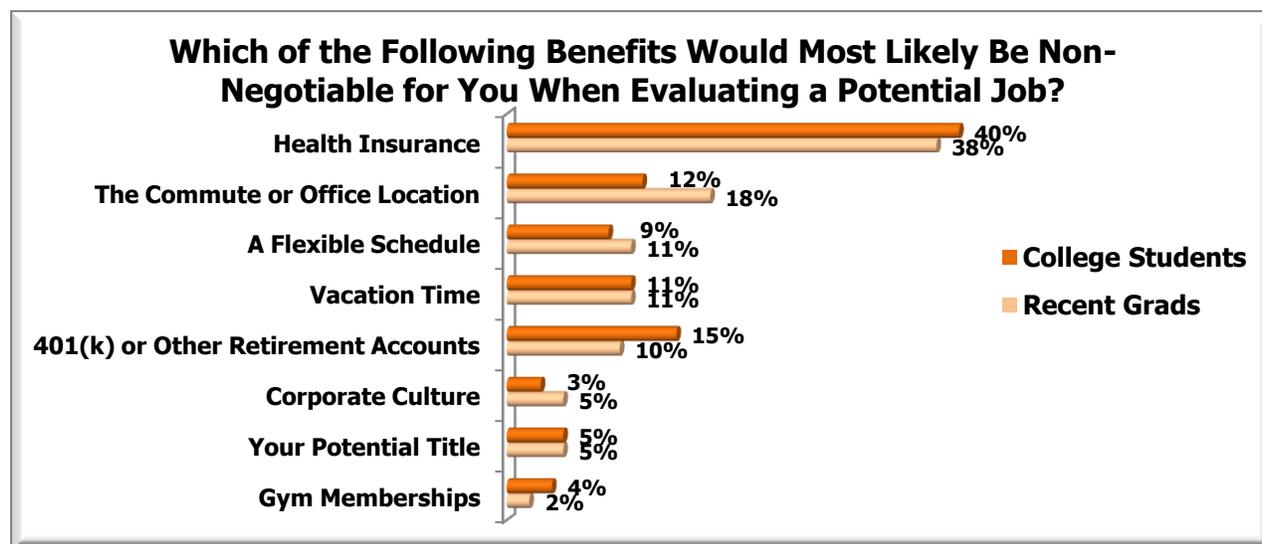
¹ This study was conducted among 271 full-time college students ages 18-30, 255 recent college graduates ages 18-30 who have been out of college for three years or less and are in the workforce or seeking employment, and 550 parents with children who fall into at least one of these categories.



- **Initial Letdown.** There's a similar gap in expectations about immediate post-college salaries. On average, college students envision that they can make around \$37,000 before taxes once they find employment after graduation, while – in reality - the average income during the first jobs of those who have recently left school was just under \$22,000.
- Male college students envision a higher starting salary than female undergrads (\$41,700 vs. \$32,200).
- **Obstacles to Their Dreams.** But despite some misconceptions about what young adults should – or will – earn, a majority of both groups share one thing: nagging fears about not being able to find a job (62% of students, 55% of grads) or employment in their chosen career path (54% of students, 60% of grads).
 - More female than male students fear that during their post-college 20s, they'll be unable to find employment (69% vs. 56%) or a job that aligns with their career goals (60% vs. 49%).

2) **HARSH HEALTH INSURANCE REALITIES**

- **Key Priorities.** Despite fears about their job and income prospects, the next generation of workers is willing to throw a wrench in their career plans to ensure crucial benefits like health insurance:
 - Over half (51%) of both students and grads think it's more important for a new college graduate to work at a job they might not like to get benefits instead of choosing employment they enjoy with no benefits at all. The same amount (51%) of their parents agree.
 - And around four in ten (40% of students, 38% of grads) affirm that they'd be most likely to pass on a job with undesirable health benefits – a sticking point far more powerful than perks like retirement offerings or vacation time.



- **Needing a Safety Net.** Around four in ten (45% of grads, 38% of students) young adults worry about being a post-college twentysomething without health insurance. And about three in ten (33% of grads, 27% of students) fear that they'll be uninsured and get seriously ill or injured at least once during this time in their lives.
 - Female undergrads are more concerned than their male counterparts about being uninsured (41% vs. 34%) or needing healthcare while being uninsured (31% vs. 23%) in their 20s after they graduate.
- **Lowered Expectations.** These fears aren't completely unfounded. While over four in ten (82%) current students imagine that their first jobs after finishing college will come with a health plan, almost three in five (59%) recent grads report that this did not happen for them right out of school.
- **Too Many Months.** And being without coverage might be a bigger deal than they think. Almost two in three (65%) college students imagine that they'd only go without health insurance for three months or less after graduation, if this happened at all. But 66 percent of recent grads who didn't have health insurance at any time after finishing college report that this period of time lasted longer than three months.
- **Mismatched Estimates.** If they do have to spend so many months uninsured, the next generation of graduates might have to also spend a little more money than they thought on the healthcare they can't find at work. There's almost a \$70 gap (\$202 vs. \$135) on what recent grads and students believe is a fair monthly cost for a health plan they have to buy themselves.
- **A Startling Sacrifice.** Clearly, it would behoove many young adults to have a better strategy about their potential budgets as they enter the working world – specifically with monthly costs that can get out of hand, like student loan payments. Perhaps because six in ten students (58%) and grads (62%)

fear they won't be able to pay their student loans at some point during their twenties, a majority of both groups (72% of students, 75% of grads) would be quick to go without health insurance than default on their student loans.