

## **The Health Of Our Nation's Future America's Undergrads Starting Off With A Healthy Dose Of Optimism, But Still Have Homework To Do**

From first job to first apartment, the immediate post-college years are full of exciting milestones. Unfortunately, a down economy has thrown at least one of these landmark moments for a loop. Employers plan to hire 22 percent fewer college graduates in 2009<sup>1</sup>, leaving many young Americans without steady employment opportunities, and, by extension, a lack of health insurance. In the coming years, many parents may be forced to take on the financial burden of health insurance for graduates who can't find work in the weakest job market in decades.

A new study by eHealthInsurance finds that today's college students, though holding health plans in high regard, aren't up to speed on all the facts involved. And though they'd hope for a job to provide them with healthcare benefits, they're more than willing to invest in their own plan. Overall, optimism persists for this group that many call the "young invincibles" – they're hopeful about all that the real world has to offer, and willing to make smart sacrifices in order to protect their health.

Detailed below are some highlights of the study, followed by a more comprehensive summary of the data:

### **1. The next generation of graduates is optimistic about the post-college period.** (page 2)

- Almost half (44%) expect to spend most of their time working at a job that matches their qualifications in the first six months after graduating.
- An overwhelming majority (89%) are sure they'll find a job related to their major once they finish school.
- Similarly, 85 percent believe their first job after college will provide them with a health plan.

### **2. College students value health insurance, but don't know enough about it.** (page 3)

- Over six in ten (61%) college students would rather live with their parents for the first year after they graduate than go without health insurance during this period of time.
- Many would take care of their own coverage instead. More than six in ten (63%) want to find their own health insurance plan and keep it regardless of where they work, not switch health plans with every job.
- Less than one in five (16%) would part with their health insurance if money was tight after finishing school; cell phones (13%) and access to the web (12%) are just as important to hang onto. Other expenses like cable TV (48%) would be much easier to do without.
- But less than half of college students can define basic terms such as deductible (41%) or premium (29%).

### **3. If grads are without jobs, parents must learn to adapt to their children's changing needs** (page 6)

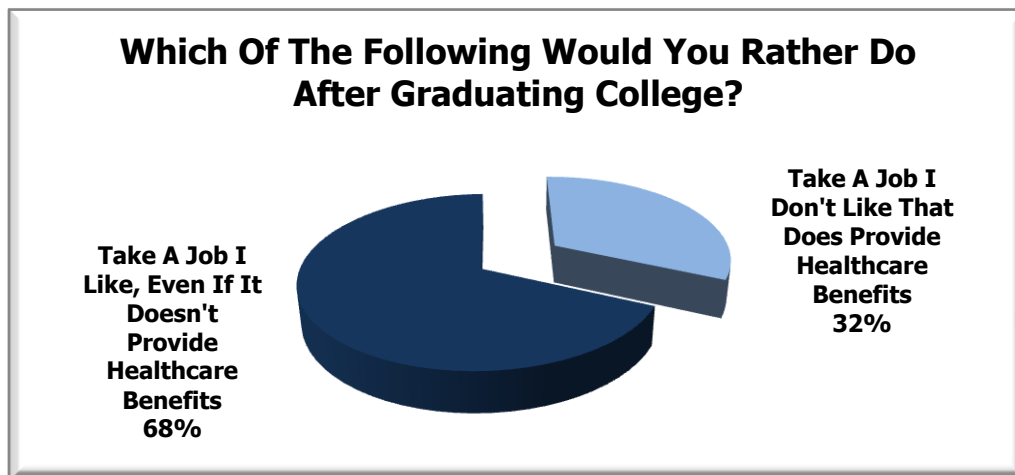
- Seven in ten (70%) college students covered under their parents believe their folks would buy them a health plan if they were no longer eligible for coverage after school ends.
- Fewer than one in three (30%) college students believe they'll have a job lined up before they graduate.

<sup>1</sup> National Association of Colleges and Employers "Job Outlook 2009 Spring Update," <http://www.nacweb.org/press/display.asp?year=&pid=297>.

## 1) **THE FUTURE'S SO BRIGHT...**

Future young graduates are feeling good about their early 20s.

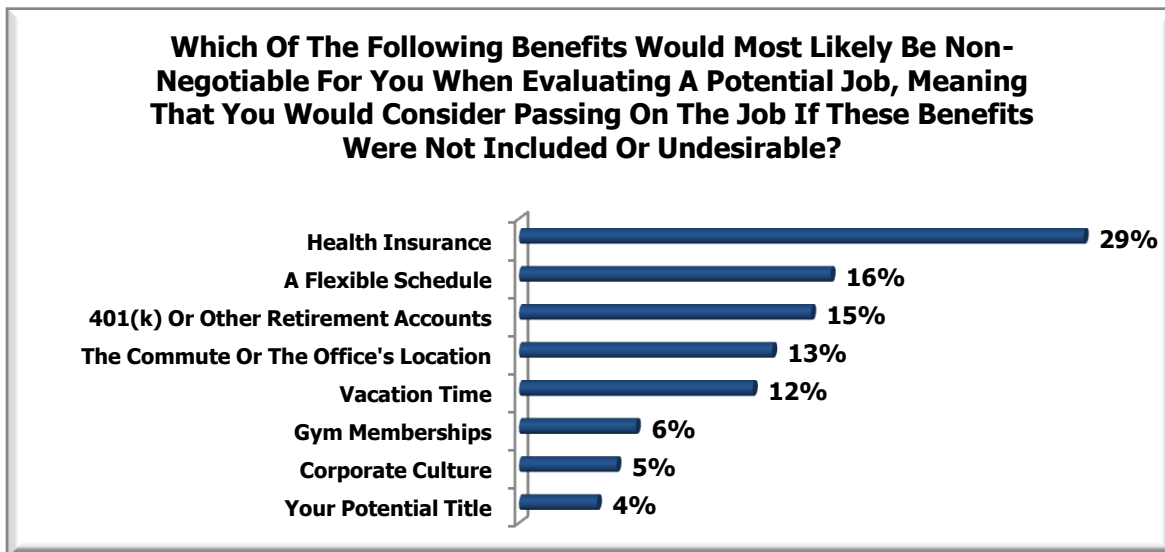
- **Looking Ahead.** There's a pervasive sense of optimism among today's undergrads:
  - Almost nine in ten (89%) current college students are sure they'll find a job related to their major once they finish school.
  - And close to half (44%) imagine that most of the first six months after graduation will be spent working at a job that matches their qualifications – more guys than girls (47% vs. 41%) expect this.
- **No Doubt About It.** Many college students are also counting on their prospective employers to provide for them – nearly nine in ten (85%) believe their first "real world" job will provide them with a health plan.
- **The Perfect Parachute.** However, they'd be quick to sacrifice benefits for a job they love. Nearly seven in ten (68%) would prefer to take a job they liked without healthcare benefits than a position they didn't like that provided a health plan.



## 2) THEIR HEARTS ARE IN THE RIGHT PLACE

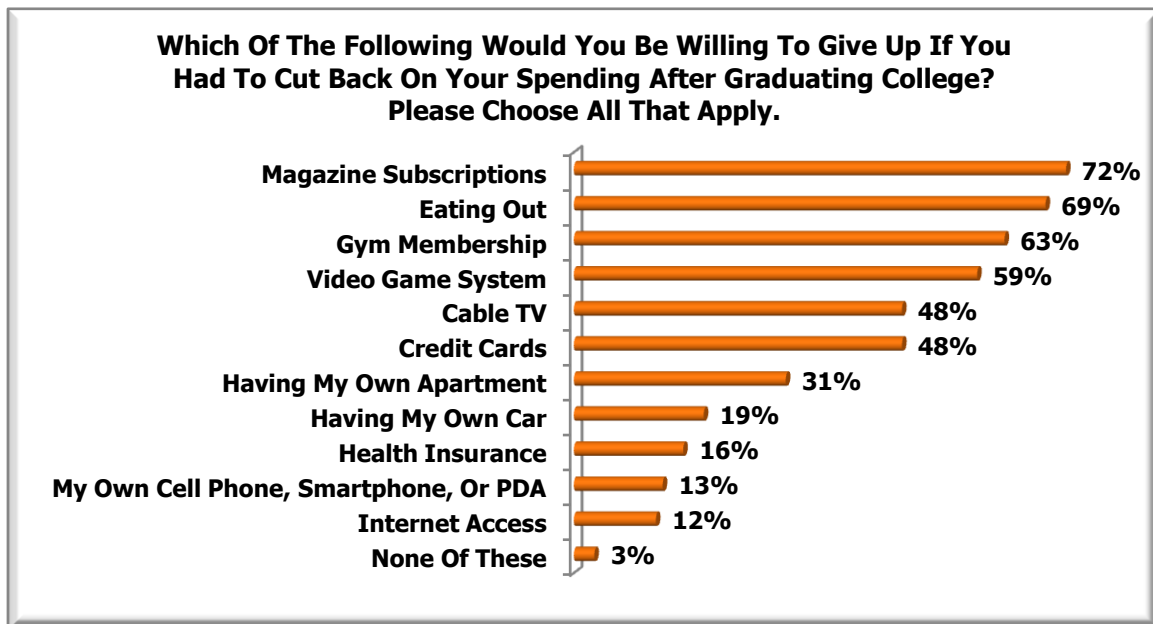
While college students know health insurance is important, they're far from experts on the topic.

- **Health Comes First.** Nearly three in ten (29%) college students would consider passing on a job if health insurance wasn't offered or the coverage wasn't what they expected. This is more of a deal-breaker than a flexible work schedule (16%), good retirement benefits (15%) or a desirable commute (13%).

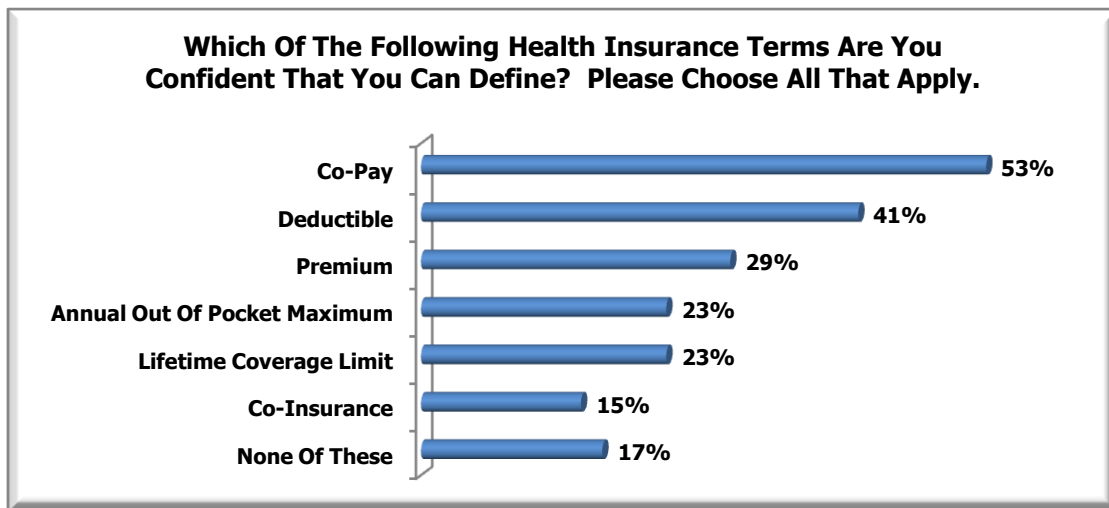


- More female than male college students (32% vs. 27%) would consider passing on a job if the health insurance wasn't what they wanted.
- More junior and senior college students than freshman and sophomore students admit they would consider passing on a job if the health plan didn't match their expectations (33% vs. 27%).
- **Good Gifting Sense.** And although many undergrads prefer a new car (26%) or a vacation as a potential college graduation present, more of them would be happy with the gift of health insurance (14%) than big-ticket electronics like TVs and computers (8%) or smaller gadgets such as a cell phone or GPS (2%).
- **No More Empty Nest.** Furthermore, over three in five (61%) college students admit they'd rather live with their parents for the first year after they graduate than go without health insurance during this period of time.
  - Almost two in three (64%) college students ages 17-21 would be willing to go this route, compared to 55 percent of their 22+ elders.
  - Similarly, 65 percent of those currently covered by their parent's policy would stay at home for the first year after they graduate than be uninsured, vs. 55 percent of those not on their parent's health plans.
- **Independent Study.** Instead, many are willing to take charge of their own coverage. More than six in ten (63%) would opt for finding their own health insurance plan and keeping it regardless of where they work, over switching health insurance plans with every job change.

- Almost seven in ten (68%) freshmen and sophomores imagine they'd be happier to stick with one plan in spite of where they work, vs. 53 percent of juniors and seniors who feel this way.
- **Hanging On To Health.** Many indications of young independence are not as important as health coverage. Less than one in five (16%) would part with their health insurance if money was tight after finishing school – other expenses like cable TV (48%) or their own apartments (31%) would be easier to do without.
- **A Wired World.** Only Internet access (12%) and a mobile device (13%) are deemed just as important to secure as health benefits.



- **Off On Cost.** However, nearly six in ten (58%) confess they don't know how much it would cost per month for a private health insurance plan. Those who did guess a number assume an average of \$268 each month, which is far higher than the cost of an average plan.
  - Young men believe a private plan's monthly cost would be almost twice as much as young women predict (\$334 vs. \$195).
- **Failing Grade.** And when asked to list every insurance cost they might need to know, less than one in five offered up co-pay (16%), premium (9%) or deductible (6%).
- **Hit The Books.** Clearly, there's a long way to go in getting young Americans up to speed on health insurance. Other than co-pay (53%), less than half are sure they can define other key terms such as deductibles (41%) – and almost one in five college students (17%) admit they can't explain any of them. (see chart on next page)

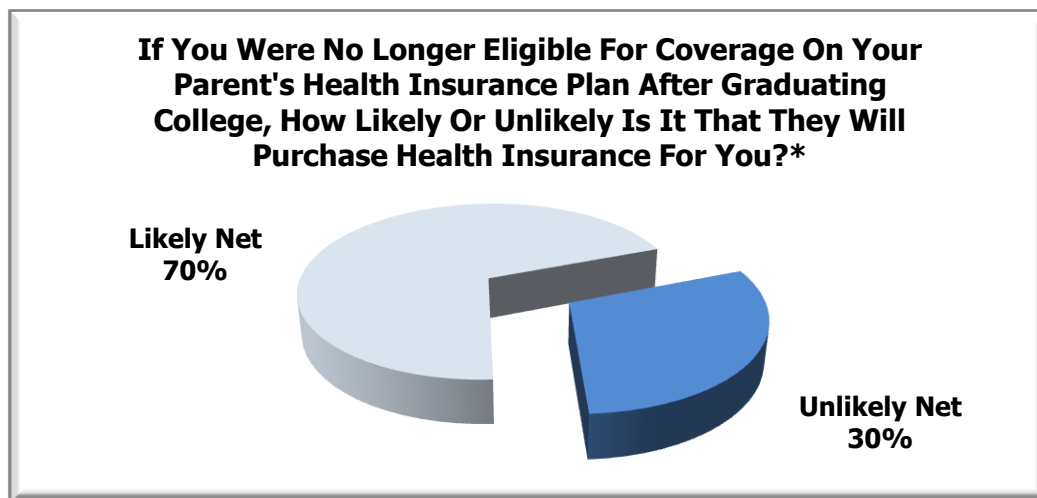


- One in four (25%) freshmen can't describe any of these terms, compared to 13 percent of those in other grades.
- **Expecting Too Much.** Furthermore, college students are quick to assume that a number of key benefits will be provided for them on any private health insurance plan, from visits to the doctor (73%) and the emergency room (69%) to prescription drug coverage (61%) and maternity needs (40%).
- Females have higher expectations than males about a variety of benefits included automatically in private plans, including preventive care like doctor visits (83% vs. 64%), ER visits (78% vs. 60%), prescription drug coverage (71% vs. 52%), and psychiatric care (26% vs. 21%).

### 3) **A NEW DYNAMIC AT HOME**

Over the next few years, parents of college graduates will need to prepare for the expectations of this so-called “boomerang generation.”

- **Currently Covered.** Three in five (60%) college students are currently covered by a health plan that their parents provide.
- **Healthy Exchange.** Many expect for this to continue after school ends. Nearly six in ten (56%) college students believe they will have health insurance the day after they graduate.
  - More male than female college students (65% vs. 47%) anticipate being covered by health insurance the day after graduation.
- **Bleak Prospects.** Unfortunately, less than a third (30%) of current college students are confident that they’ll have a job lined up before they graduate – and the rest estimate it’ll take about 5 months to earn employment after receiving their diploma.
- **Parental Providers.** So it follows, then, that a great deal of American parents are likely to find themselves supporting their children after the final tuition bill is paid. Seven in ten (70%) college students covered under their parents assert that their folks would likely buy them a health plan if they were no longer eligible for coverage after school ends.



**\*Among Respondents Who Are Currently Covered Under Their Parent's Health Plan**

- More young men than women (76% vs. 65%) are confident their parents will provide for them in this way if necessary.

**APPENDIX: TOPLINE RESULTS**

Sample: 532 Nationally Representative American College Students

This survey is being conducted by Kelton Research, a leading national public opinion company. We are not trying to sell you anything, but would like to ask you a few questions for a national opinion study, the results of which will appear in the nation's leading media outlets in the coming weeks. Your answers will be confidential and anonymous.

1. Which of the following best describes you?

<i>Response</i>	<i>Total</i>	<i>%</i>
I'm Currently Covered By My Parent's Health Insurance Policy	284	53%*
I'm Currently Covered By A Health Insurance Policy That I Pay For Myself	52	10%
I'm Currently Covered By A Student Health Insurance Plan	40	8%
I'm Currently Covered By An Individual Health Insurance Policy Paid For By My Parents	35	7%
I'm Currently Covered By A Government Or Public Health Insurance Plan, Such As Medicaid	26	5%
I Currently Have No Insurance	72	14%
I Don't Know	23	4%

2. Are one or both of your parents unemployed? (AMONG RESPONDENTS WHO ARE COVERED BY THEIR PARENTS)

<i>Response</i>	<i>Total</i>	<i>%</i>
Yes	87	27%
No	225	71%
I Don't Know	3	1%
Not Applicable	4	1%

\* All decimals are rounded to the nearest percentage point. This may result in certain numerical totals adding up to slightly more or slightly less than 100%

3. To the best of your knowledge, is at least one of your parents using COBRA to maintain their healthcare coverage from their previous job? (AMONG RESPONDENTS WHO ARE COVERED BY THEIR PARENTS WHO ARE UNEMPLOYED)

<i>Response</i>	<i>Total</i>	<i>%</i>
Yes	13	15%
No	43	49%
I Don't Know	31	36%

4. To the best of your knowledge, will you have health insurance the day after you graduate college?

<i>Response</i>	<i>Total</i>	<i>%</i>
Yes	297	56%
No	66	12%
I Don't Know	169	32%

5. If you could only receive one of the following as a college graduation present, which would it be?

<i>Response</i>	<i>Total</i>	<i>%</i>
A New Car	139	26%
A Trip With Family Or Friends	99	19%
Money To Spend On Expenses Such As Groceries Or Gas	88	17%
Health Insurance	77	14%
Money To Spend On Rent	63	12%
Large Electronics Such As A Computer, TV, Or Gaming System	42	8%
Small Electronics Such As A Cell Phone Or GPS	11	2%
Sporting Equipment Such As A Bicycle Or Snowboard	7	1%
A Gift Certificate Or Shopping Spree For Clothing Or Beauty Products	6	1%



6. Which of the following do you think you're likely to spend most of your time doing during the first 6 months after graduation?

<i>Response</i>	<i>Total</i>	<i>%</i>
Working At A Job That Matches My Qualifications	234	44%
Working At A Job That I Am Overqualified For	82	15%
Working At A Paid Internship	75	14%
Volunteering	41	8%
Traveling	28	5%
Working At A Job That I Am Under-Qualified For	22	4%
Consulting, Freelance Work, Or Going Into Business For Myself	15	3%
Working At An Unpaid Internship	13	2%
Other	22	4%

7. How confident are you that you'll find a job that's related to your major when you graduate?

<i>Response</i>	<i>Total</i>	<i>%</i>
Extremely Confident	211	40%
Somewhat Confident	261	49%
<b>Confident Net</b>	<b>472</b>	<b>89%</b>
Not Very Confident	51	10%
Not At All Confident	9	2%
<b>Not Confident Net</b>	<b>60</b>	<b>11%</b>

8. About how many months do you think it will take for you to get a job after graduating college? Your best guess is fine.

Average = 5 Months		
<i>Response</i>	<i>Total</i>	<i>%</i>
1-2 Months	87	16%
3-6 Months	192	36%
7-12 Months	37	7%
13 Months Or More	11	2%
I Think I Will Have A Job Lined Up Before Graduating College	159	30%
I Already Have A Job Lined Up For After I Graduate College	46	9%

9. How likely or unlikely do you think it will be that your first job after graduating college will provide you with healthcare benefits?

<i>Response</i>	<i>Total</i>	<i>%</i>
Extremely Likely	181	34%
Somewhat Likely	269	51%
<b>Likely Net</b>	<b>450</b>	<b>85%</b>
Not Very Likely	65	12%
Not At All Likely	17	3%
<b>Not Likely Net</b>	<b>82</b>	<b>15%</b>

10. If you were no longer eligible for coverage on your parent’s health insurance plan after graduating college, how likely or unlikely is it that they will purchase health insurance for you? (AMONG RESPONDENTS WHO ARE COVERED BY THEIR PARENTS)

<i>Response</i>	<i>Total</i>	<i>%</i>
Extremely Likely	81	25%
Somewhat Likely	143	45%
<b>Likely Net</b>	<b>224</b>	<b>70%</b>
Not Very Likely	74	23%
Not At All Likely	21	7%
<b>Not Likely Net</b>	<b>95</b>	<b>30%</b>

11. If you had to choose one, which of the following would you rather do for the first year after you graduate college?

<i>Response</i>	<i>Total</i>	<i>%</i>
Live With Your Parents	325	61%
Go Without Health Insurance	207	39%

12. If you had to choose one, which of the following would you rather do for the first year after you graduate college?

<i>Response</i>	<i>Total</i>	<i>%</i>
Live With Your Parents And Be Able To Afford Health Insurance	332	62%
Live On Your Own And Go Without Health Insurance	200	38%

13. Which of the following would you rather do after graduating college?

<i>Response</i>	<i>Total</i>	<i>%</i>
Take A Job I Like, Even If It Doesn't Provide Healthcare Benefits	364	68%
Take A Job I Don't Like That Does Provide Healthcare Benefits	168	32%

14. Which of the following would you be willing to give up if you had to cut back on your spending after graduating college? Please choose all that apply.

<i>Response</i>	<i>Total</i>	<i>%</i>
Magazine Subscriptions	385	72%
Eating Out	366	69%
Gym Membership	336	63%
Video Game System	312	59%
Cable TV	258	48%
Credit Cards	257	48%
Having My Own Apartment	164	31%
Having My Own Car	99	19%
Health Insurance	83	16%
My Own Cell Phone, Smartphone, Or PDA	71	13%
Internet Access	64	12%
None Of These	14	3%

15. Which of the following benefits would most likely be non-negotiable for you when evaluating a potential job, meaning you would consider passing on the job if these benefits were not included or undesirable?

<i>Response</i>	<i>Total</i>	<i>%</i>
Health Insurance	156	29%
A Flexible Schedule Such As Non- Traditional Hours Or Being Able To Work From Home	85	16%
401(k) Or Other Retirement Accounts	81	15%
The Commute Or The Office's Location	67	13%
Vacation Time	63	12%
Gym Memberships	30	6%
Corporate Culture	29	5%
Your Potential Title	21	4%

16. If you were to purchase a private health insurance plan on your own, which of the following benefits do you think would be automatically included? Please choose all that apply.

<i>Response</i>	<i>Total</i>	<i>%</i>
Basic Preventive Care Such As Doctor Visits, X-Rays, And Screenings	390	73%
Emergency Room Visits For Needs Such As Broken Limbs, Car Accidents, Or Asthma Attacks	368	69%
Prescription Drug Coverage	326	61%
Maternity Coverage, Including Pre-Natal Care And Delivery For You Or Your Partner	215	40%
Emergency Care When Out Of The Country	142	27%
Psychiatric Care	124	23%
Other	5	1%
None Of These	14	3%

17. To the best of your knowledge, about how much would you expect to pay each month for a private health insurance plan? Please assume a plan that covers benefits such as prescription drugs, preventive screenings, and emergency room visits. Your best guess is fine.

Average = \$268		
<i>Response</i>	<i>Total</i>	<i>%</i>
Less Than \$100	62	12%
\$100-\$299	102	19%
\$300 Or More	61	11%
I Don't Know	307	58%

18. Please name all of the types of costs you would need to be aware of if you were to purchase your own health insurance policy.

<i>Response</i>	<i>Total</i>	<i>%</i>
Prescription Drugs	90	17%
Co-Pay	87	16%
Check-Ups/Doctor Visits	73	14%
Emergency Room Visits	63	12%
Monthly Fees	52	10%
Hidden Or Extra Fees	48	9%
Premium	46	9%
Specialist Fees (Dental, Eyecare, Psychologist, Etc.)	34	6%
Deductible	33	6%
Taxes	6	1%
Changes In Insurance Rates	5	1%
Injuries/Accidents	4	1%
Annual Out Of Pocket Maximum	2	-
Lifetime Coverage Limit	1	-
Don't Know	115	22%
No Answer	167	31%

19. Which of the following health insurance terms are you confident that you can define? Please choose all that apply.

<i>Response</i>	<i>Total</i>	<i>%</i>
Co-Pay	282	53%
Deductible	218	41%
Premium	156	29%
Annual Out Of Pocket Maximum	121	23%
Lifetime Coverage Limit	120	23%
Co-Insurance	80	15%
None Of These	91	17%

20. Which of the following better describes how you feel about receiving health insurance from an employer?

<i>Response</i>	<i>Total</i>	<i>%</i>
I'd Prefer to Find A Health Insurance Plan On My Own And Keep It Regardless Of Where I Work	334	63%
I'd Prefer To Change Health Insurance Plans Every Time I Change Jobs	198	37%

21. Have you visited a general doctor for regular preventive care or a check-up in the past 2 years?

<i>Response</i>	<i>Total</i>	<i>%</i>
Yes	429	81%
No	103	19%

22. Have you visited an emergency room for yourself in the last 4 years?

<i>Response</i>	<i>Total</i>	<i>%</i>
Yes	240	45%
No	292	55%

23. Which of the following best describes where you receive the majority of the news you read?

<i>Response</i>	<i>Total</i>	<i>%</i>
Internet News Sources Such As CNN.com And WSJ.com	128	24%
Local TV news	120	23%
Cable TV News	111	21%
Newspapers	53	10%
Search Engines Such As Google	46	9%
Radio News	31	6%
News Magazines Such As Newsweek And TIME	18	3%
Social Media Sites Such As Facebook, Twitter, And MySpace	16	3%
Blogs Not Associated With Internet News Sources	9	2%

24. Are you planning to attend graduate school after graduating college?

<i>Response</i>	<i>Total</i>	<i>%</i>
Yes	350	66%
No	182	34%

#### Methodological Notes:

The College Students Survey was conducted by Kelton Research between April 21<sup>st</sup> and April 28<sup>th</sup>, 2009 using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.3 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.