

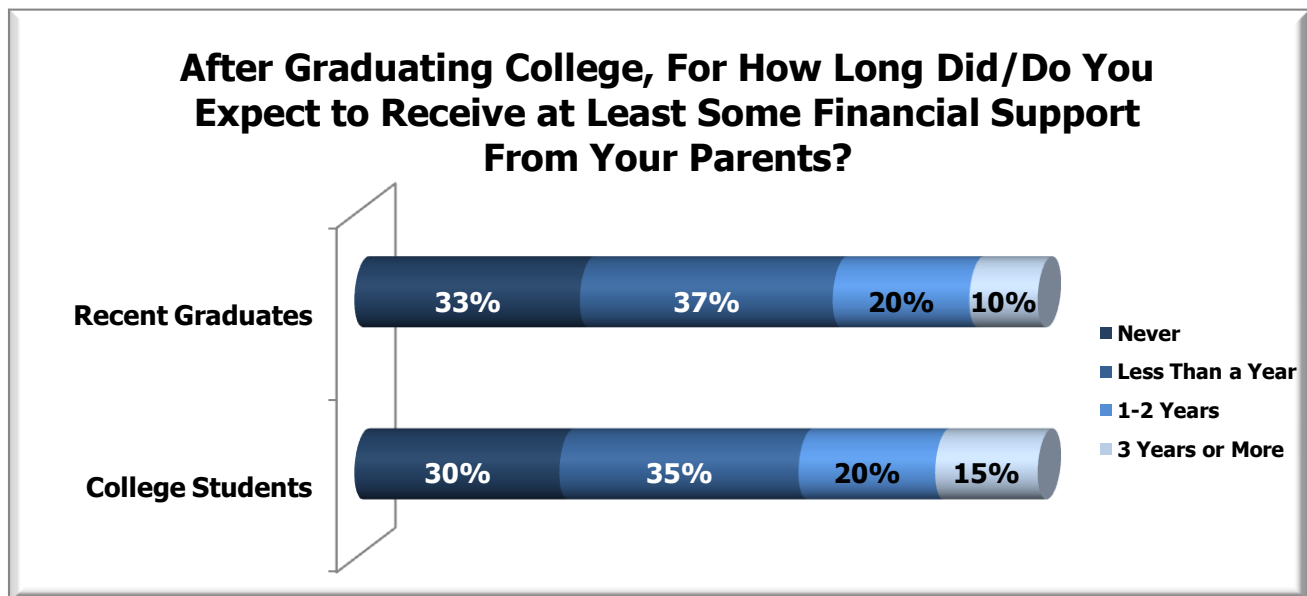
Tough Love

After College Graduation, Parents Release Financial Reins

A parent's job is never done, even after their children have reached adulthood and ventured out on their own. But as a new survey by eHealthInsurance finds, many moms and dads of college students and recent college graduates¹ are choosing not to take responsibility for – or even help out with – a great deal of their kids' financial obligations, from monthly bills to healthcare coverage. Though health insurance is certainly a priority for all parties involved, and most parents are now able to keep their kids on their health plans until age 26, many of today's moms and dads want their youngsters to take the initiative to cover this important cost on their own.

1) CUTTING THE FINANCIAL CORD

- **Wallet Weaning.** A majority of both current college students (65%) and recent grads (70%) admit that they don't really expect financial support from their parents after a year or longer has passed from their graduation date.



¹ This survey was conducted among 255 full-time college students ages 18-30, 251 recent college graduates who have been out of school for 3 years or less and are either working or seeking employment, and 500 parents with at least one child in either of these categories.

- **Pitching In.** Luckily, their parents are on the same page. Over half (56%) of moms and dads believe that they'll only have to help out with money in some way for just a year or less after their kids finish school.
- **A Helping Hand.** It follows, then, that far more parents see their post-graduation role as a source of moral support (89%) than minimal (51%) or substantial (16%) financial support.

2) HEALTHY SACRIFICES

Nearly all parents (97%), students (97%) and recent grads (97%) recognize the importance of having health insurance. This leads to some tough choices in the years following college.

- **Safety Net.** Over two in five (44%) of college students think it's fair for parents to help cover their healthcare costs for up to a year after graduation, if they do at all. Forty-seven percent of new grads and 49 percent of parents agree.
- **On Their Own.** And while most insured parents are able to keep their kids on their plans until they turn 26, almost four in ten (38%) parents with students or recent grads under age 26 confirm they won't be taking this action.
 - Over half (56%) of parents who only have recent grads in the family won't be keeping these kids on their health plans until age 26 – fewer (31%) parents with just students under their watch have this plan.
- **Home on the Range.** So in the face of this new reality, today's twentysomethings wind up becoming a different kind of burden on their parents. Most (54%) college students feel that the first year of college would be better spent living at home and being able to afford insurance than striking out on their own and not being insured.
- **It's Scary Out There.** Having been outside of college's safety bubble for a little while already, recent grads agree with this philosophy more emphatically. Close to three in four (74%) feel this strategy is best.

If You Had to Choose One, Which of the Following...	Would You Rather Do for the First Year After You Graduate College? (STUDENTS)	Do You Think Is Better to do for the First Year After Graduating College? (RECENT GRADS)
Live With Your Parents and Be Able to Afford Health Insurance	54%	74%
Live on Your Own and Go Without Health Insurance	46%	26%

- **At-Home Benefits.** Similarly, more parents would be willing to give their kids a place to live (78%) after graduation than offer them help with purchasing their own health insurance plans (25%).
 - More mothers than fathers (83% vs. 73%) would be happy to provide their kids with room and board upon graduating college.

3) **EDUCATION REFORM**

With so many new grads setting out on their own in the coming years, it's a little startling how few of them – and their parents – know all the details about the evolving world of healthcare.

- **The Good News.** There are a few basic things that the next generation of graduates knows about health insurance and how it applies to them. For example, a majority (53% of college students, 63% of grads) are aware that, as a result of healthcare reform, they can stay on their parents' health plans until they turn 26. Most (76%) parents know this too.
- **Something so Wrong.** However, there are also quite a few blind spots among these youngsters and their moms and dads that could lead to major mistakes:
 - Less than a quarter know that, as of now, college graduates have access to more preventive medical services (20% of college students, 20% of grads) and no lifetime limits on covered services (11% of college students, 13% of grads).
 - Over a third (34%) of parents incorrectly believe that healthcare reform has now provided college graduates with access to individually-purchased health insurance plans for those with pre-existing medical conditions. This actually won't be the case until 2014.
 - Similarly, 28 percent of parents think that college grads are now required to purchase health plans as a result of reform – again, this won't be required until 2014.
- **Not Too Cocky.** At least most young adults are aware of these knowledge gaps. Almost all college students (85%) and recent grads (90%) admit that, at best, they're only somewhat informed about healthcare reform.