



eHealthInsurance 2010 College Graduates Survey: No Work, No Health Insurance, No Clue

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MOUNTAIN VIEW, CA, May 19, 2010 (MARKETWIRE via COMTEX) --A new eHealthInsurance (NASDAQ: EHTH) survey shows one-in-five (21%) recent graduates is uninsured, current students and graduates overestimate the cost of buying their own coverage, and less than one-third can confidently define basic health insurance terminology.

Health reform legislation includes measures designed to get more young, healthy people to participate in the insurance market, but results from eHealthInsurance.com's 2010, Real World 101 Survey of college students and recent graduates, shows concerns over being uninsured are not influencing the career choices of young adults. When given a choice between the two, almost half of all students (46%) would prefer to live on their own and go without health insurance after graduation, than live at home with mom and dad and have health coverage. And, two-thirds (67%) of recent graduates said that after graduation they would prefer to work in a job they liked that didn't provide health insurance, over a job they didn't like that did.

Young adults between the ages of 18 and 30 make up one of the largest subsets of the uninsured population in America, which is why they're often called "young invincibles" by insurers; a term that implies young adults don't value health insurance because they believe they're invincible. eHealthInsurance's annual "Real World 101 Survey," conducted by Kelton Research, polls this audience, specifically targeting 516 college students and 500 recent graduates (all between the ages of 18-30). The results of the survey also show that three years after graduation, two-out-of-five (38%) college grads had yet to find a career-related job, and less than half (48%) felt they could confidently define key health insurance terms like premiums (45%), lifetime coverage limits (30%) and coinsurance (20%).

An estimated 3.2 million additional college students are scheduled to graduate from college during the 2010 school year(1). Prospective job opportunities for 2010 college graduates are expected to improve slightly, when compared to 2009, but the National Association of Colleges and Employers reports that employers still plan to hire 16.7% fewer college graduates in 2010 than they did two years ago in 2008(2).

With access to health insurance from an employer becoming increasingly difficult to come by, many recent graduates are simply choosing to go without health insurance; the eHealthInsurance survey shows one-in-five (21%) recent graduates is currently uninsured.

The good news for expectant graduates is that health reform legislation provides them with new and improved options for obtaining health coverage. Graduates who are unable to find employer sponsored coverage can:

- Purchase health insurance in the non-group market - Individuals purchasing health insurance on their own will benefit from stronger protections against policy cancellations, the removal of dollar limits restricting their total benefits, and new requirements that insurers cover preventive care services.
- Get back onto a parents' plan - For graduates under the age of 26 whose parents have health insurance, health reform allows them to re-enroll in their parent's policy.

While most college graduates will be among the earliest to benefit from new health reforms, the survey shows that the majority (70%) of new graduates do not agree with the health reform mandate that all Americans buy health insurance, beginning in 2014. In spite of their strong opposition to the mandate that all Americans buy health coverage, young adults remain at risk if they're uninsured. Health reform does remove an individual's responsibility to pay their medical bills if they become sick or injured.

Other Key Research Findings: Current Job Market is Still a Harsh Reality: Most students (73%) think they'll have a career-related job within a reasonable amount of time after graduation. But, only 41 percent of recent graduates report having actually found a career-related job within three years of graduation.

Health Insurance Still Top-Rated Job Benefit: The number one "non-negotiable" job benefit for both recent college graduates and expectant graduates was health insurance (33% and 26% respectively). A large majority (79%) of recent college graduates say they fully expect their first job to include health insurance benefits. And, health insurance beat out other job-related benefits for the number one spot, including vacation time (16% for graduates and 15% for students), a short commute (16% for graduates and 19% for students), and 401Ks (13% for graduates and 17% for students).

Careers Won't Wait for Health Insurance: Students and grads both agree that they want their jobs to provide them with health insurance, but two-thirds of graduates (67%) and three-fourths of students (76%) would choose a job they liked that didn't offer health insurance benefits over a job they didn't like that did provide them with health insurance.

Going it Alone on Health Insurance: Within three years of graduation, only 38% of recent graduates surveyed were on an employer-based health insurance plan and the majority of surveyed graduates (54%) and current students (65%) would prefer to find health insurance on their own and keep it, regardless of where they work. One-in-five graduates (21%) claim they're now uninsured, compared to one-in-five (21%) who claim that either they, or their parents, is buying portable health insurance for them in the non-group market.

More Help from Mom and Dad: Only 7% of recent graduates say they're getting help from their parents to pay for health insurance, while another 14% say they're able to afford the cost on their own. Prior to graduation, nearly half of all students (46%) said they would rather live on their own and be uninsured than live with their parents so they could save on rent and thus afford their own health insurance (54%). But, after graduation, those numbers change significantly as two-thirds (67%) say they would be willing to live with their parents so that they could afford health insurance.

Lack of Insurance Tied to Lack of Awareness: Two-out-of-five graduates (41%) say they would choose to buy health insurance if they could find an affordable plan. It's not surprising then to learn that most recent graduates believe the average cost of a non-group health insurance policy is \$227 per month; 38% more expensive than the \$161(3) average monthly premium people actually pay for an individual policy.

When asked what they would view as a "fair" price to pay for their own health insurance, both students and recent graduates were much closer to the actual average cost of non-group health coverage for adults in their age range. Recent grads felt a "fair" price to pay for their health insurance was \$137 per month, which is slightly more than the actual price of \$130(3) that adults ages 25-34 are paying per month. College students also felt it would be fair to pay slightly more for health insurance -- \$114 per month -- than the actual cost of \$109(3) that adults ages 18 to 24 are paying.

Overall Health Insurance Awareness is Increasing: Awareness of alternatives to employer-based health insurance increased among college students and recent graduates between 2009 and 2010, but still remained below 50 percent in many areas. Between Spring 2009 and Spring 2010, awareness of basic health insurance terms increased significantly among college students who reported understanding key terms like "co-payments" (53% in 2009 vs. 61% in 2010), "deductibles" (41% in 2009 vs. 53% in 2010) and "premiums" (29% in 2009 vs. 33% in 2010).

After graduation, post-grads show an even greater understanding of key terms like co-payments (students: 61% in 2010 vs. post-grads: 76% in 2010), deductibles (students: 53% in 2010 vs. post-grads: 67% in 2010) and premiums (students: 33% in 2010 vs. post-grads: 45%).

Survey Highlights:

Career-oriented jobs are hard to find.

- Recent graduates working: 33% of recent college graduates were still looking for work 6 months after graduation.
- Career oriented jobs 6 months after graduation: Only 25% of recent college graduates found career-oriented jobs within 6 month of graduation.
- Career oriented jobs 12 months after graduation: Only 37% recent college graduates found career-oriented jobs within 12 months of graduation.
- Competition for jobs: 76% of recent graduates acknowledge that they're competing with workers who are far older, and likely more experienced than they are.

Workplace expectations don't meet reality.

- Top-rated job benefits: The number one "non-negotiable" benefit for both recent college graduates and expectant graduates was health insurance (33% and 26% respectively).
- Expecting health insurance: 79% of recent college graduates expected their first job to include health insurance benefits.
- Receiving health insurance benefits: Only 58% of recent graduates have received health coverage through a job since graduating.

Real world experience increases awareness of health insurance options.

- Expected Monthly Premiums: Students (\$268 in 2009 vs.\$278) vs. Post-Grads (\$227) vs. Reality \$(164)(3)
- Co-Pay: Students (53% in 2009 vs. 61% in 2010) vs. Post-grads (76%)
- Deductible: Students (41% in 2009 vs. 53% in 2010) vs. Post-grads (67%)
- Premium: Students (29% in 2009 vs. 33% in 2010) vs. Post-grads (45%)
- Annual Out-of-Pocket Maximum: Students (23% in 2009 vs. 28% in 2010) vs. Post-grads (44%)
- Lifetime Coverage Limit: Students (23% in 2009 vs. 26% in 2010) vs. Post-grads (30%)
- Co-Insurance: Students (15% in 2009 vs. 12% in 2010) vs. Post-grads (20%)
- None of These: Students (17% in 2009 vs. 18% in 2010) vs. Post-grads (10%)
- Paying a fair price for health insurance: When asked what they felt would be a fair price to spend per month on health insurance, students and both health insurance should not cost more than \$140 per month: Students (\$114) vs. Graduates (\$137)

For a complete list of the survey results from eHealthInsurance, go online to news.ehealthinsurance.com and search for "2010 College Survey."

Students and recent graduates who want to learn more about their options for health coverage following health reform should check out

eHealthInsurance's "Health Insurance 101" guide in the following locations:

- By PDF here: www.ehealthinsurance.com/101guide
- Through our resource page for students and grads:
<http://www.ehealthinsurance.com/student-health-insurance/resources/>

Sources:

1 U.S. Census: Statistical Abstract of the United States 2010
2 The National Association of Colleges and Employer's (NACE) Job Outlook 2009 Fall Update: http://www.naceweb.org/Research/Job_Outlook/Job_Outlook.aspx
3 eHealth, Inc's 2009 report: The Cost & Benefits of Individual and Family Health Insurance Plans 2009

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