

## The 2009 Health Confidence Survey: Public Opinion on Health Reform Varies; Strong Support for Insurance Market Reform and Public Plan Option, Mixed Response to Tax Cap

By Paul Fronstin, EBRI, and Ruth Helman, Mathew Greenwald & Associates

### EXECUTIVE SUMMARY

**PUBLIC SUPPORT FOR HEALTH REFORM:** Findings from the 2009 Health Confidence Survey—the 12<sup>th</sup> annual HCS—indicate that Americans have already formed strong opinions regarding various aspects of health reform, even before details have been released regarding various key factors. These issues include health insurance market reform, the availability of a public plan option, mandates on employers and individuals, subsidized coverage for the low-income population, changes to the tax treatment of job-based health benefits, and regulatory oversight of health care. These opinions may change as details surface, especially as they concern financing options. In the absence of such details, the 2009 HCS finds generally strong support for the concepts of health reform options that are currently on the table.

**U.S. HEALTH SYSTEM GETS POOR MARKS, BUT SO DOES A MAJOR OVERHAUL:** A majority rate the nation's health care system as *fair* (30 percent) or *poor* (29 percent). Only a small minority rate it *excellent* (6 percent) or *very good* (10 percent). While 14 percent of Americans think the health care system needs a major overhaul, 51 percent agree with the statement "there are some good things about our health care system, but major changes are needed."

**NATIONAL HEALTH PLAN ELEMENTS RATED HIGHLY:** Between 68 percent and 88 percent of Americans either *strongly* or *somewhat* support health reform ideas such as national health plans, a public plan option, guaranteed issue, expansion of Medicare and Medicaid, and employer and individual mandates.

**MIXED REACTION TO HEALTH BENEFITS TAX CAP:** Reaction to capping the current tax exclusion of employment-based health benefits is mixed. Nearly one-half of Americans (47 percent) would switch to a lower-cost plan if the tax exclusion were capped, 38 percent would stay on their current plan and pay the additional taxes, and 9 percent don't know.

**CONTINUED FAITH IN EMPLOYMENT-BASED BENEFITS, BUT DOUBTS ON AFFORDABILITY:** Individuals with employment-based health benefits are confident that employers will continue to offer such benefits. They are much less confident that they would be able to afford coverage on their own, even if employers gave them the money they currently spend on health benefits. However, were employers to stop offering coverage, respondents report that they are likely to purchase it on their own.

**RISING HEALTH COSTS HURTING FAMILY FINANCES:** Those experiencing health cost increases tend to say these increases have negatively affected their household finances. In particular, they indicate that increased health care costs have resulted in a decrease in contributions to a retirement plan (32 percent) and other savings (53 percent) and in difficulty paying for basic necessities (29 percent) and other bills (37 percent).

**COSTS ALSO AFFECTING HEALTH CARE USE:** Many consumers report they are changing the way they use the health care system in response to rising health care costs. Roughly 80 percent of those with higher out-of-pocket expenses say these increased costs have led them to try to take better care of themselves and choose generic drugs more often. One-quarter also say they did not fill or skipped doses of their prescribed medications in response to increased costs.

Paul Fronstin is director of the Health Research and Education Program at EBRI. Ruth Helman is research director for Mathew Greenwald & Associates. This *Issue Brief* was written with assistance from the Institute's research and editorial staffs. Any views expressed in this report are those of the authors and should not be ascribed to the officers, trustees, or other sponsors of EBRI, EBRI-ERF, or their staffs. Neither EBRI nor EBRI-ERF lobbies or takes positions on specific policy proposals. EBRI invites comment on this research.

**Copyright Information:** This report is copyrighted by the Employee Benefit Research Institute (EBRI). It may be used without permission but citation of the source is required.

**Recommended Citation:** Paul Fronstin and Ruth Helman, "The 2009 Health Confidence Survey: Public Opinion on Health Reform Varies; Strong Support for Insurance Market Reform and Public Plan Option, Mixed Response to Tax Cap," *EBRI Issue Brief*, no. 331, July 2009.

**Report Availability:** This report is available on the Internet at [www.ebri.org](http://www.ebri.org)

This survey was made possible with support from AARP, American Express, Blue Cross Blue Shield Association, Buck Consultants, Chevron, Deere & Company, IBM, Mercer, National Rural Electric Cooperative Association, Principal Financial Group, Schering-Plough Corp., Shell Oil Company, The Commonwealth Fund, and Towers Perrin.

## Table of Contents

|   |    |
|---|----|
| Introduction .....                              | 4  |
| Health Care Policy .....                        | 5  |
| Reaction to Tax Cap .....                       | 6  |
| Continuation of Employment-Based Coverage ..... | 6  |
| Consumer Issues .....                           | 10 |
| The Cost of Health Care .....                   | 11 |
| Confidence in the Health Care System .....      | 13 |
| Satisfaction With the Health Care System .....  | 13 |
| The 2009 HCS .....                              | 16 |
| Endnotes .....                                  | 16 |

## Figures

|   |   |
|---|---|
| Figure 1, Views About American Health Care System, 2007–2009 .....  | 6 |
| Figure 2, Rating of Health Care System in America, 1998–2009 .....  | 7 |
| Figure 3, Support for Strategies to Expand Health Insurance Coverage, 2009 .....  | 7 |
| Figure 4, Reaction to \$5,000 Cap on the Tax Exclusion of Employment-Based Health Benefits, Among Employees With Health Insurance Coverage, 2009 .....  | 8 |
| Figure 5, Confidence in Future of Employment-Based Health Benefits and Ability to Afford Coverage, Among Americans With Health Insurance Coverage Through Their Employer or Union, 2009 .....             | 8 |
| Figure 6, Likelihood of Purchasing Health Insurance Coverage if Employer Stopped Offering it and Gave Money to Help Pay for it, Among Americans With Coverage Through Their Employer or Union, 2009 ..... | 9 |
| Figure 7, Comfort With Using Objective Rating Systems to Choose Hospitals and Doctors Based on How Successfully They Have Treated Patients for Specific Conditions, 2009 .....                            | 9 |

|   |    |
|---|----|
| Figure 8, Importance of Physician Total Costs in Choosing a Doctor and Importance of Effectiveness of Treatment Options in Choosing a Treatment, 2009 ..... | 11 |
| Figure 9, Reported Consumer Behaviors When Visiting Doctor, 2009 .....  | 12 |
| Figure 10, Changes in Health Care Usage Resulting from Cost Increases, Among Those Experiencing Increase in Costs, 2004–2009.....                           | 12 |
| Figure 11, Shifts in Resources Resulting From Cost Increases, Among Those Experiencing Increase in Costs, 2004–2009 .....                                   | 12 |
| Figure 12, Confidence in Selected Aspects of Today's Health Care System, 2002–2009 .....  | 14 |
| Figure 13, Confidence in Selected Aspects of the Health Care System, Today, During the Next 10 Years, and Once Eligible for Medicare, 2009 .....            | 14 |
| Figure 14, Satisfaction With Current Health Plan, 1998–2009 .....   | 15 |
| Figure 15, Satisfaction With Selected Aspects of Health Care Received in Past Two Years, 1998–2009.....   | 15 |

# The 2009 Health Confidence Survey: Public Opinion on Health Reform Varies; Strong Support for Insurance Market Reform and Public Plan Option, Mixed Response to Tax Cap

By Paul Fronstin, EBRI, and Ruth Helman, Mathew Greenwald & Associates

## Introduction

Even before details have been released regarding health insurance market reform, the availability of a public plan option, mandates on employers and individuals, subsidized coverage for the low-income population, changes to the tax treatment of job-based health benefits, and regulatory oversight of health care, public support is starting to emerge. Findings from the 2009 Health Confidence Survey (HCS) indicate that Americans have already formed strong opinions regarding various aspects of health reform. These opinions may change as details surface, especially as they concern financing options. In the absence of such details, the 2009 HCS finds generally strong support for the concepts of health reform options that are currently on the table.

The 2009 HCS represents the 12<sup>th</sup> wave of an annual survey to assess the attitudes of the American public regarding the health care financing and delivery system in the United States. Among this year's major findings:

- Only 14 percent of Americans think the health care system needs a major overhaul, but 51 percent agree with the statement "there are some good things about our health care system, but major changes are needed" (Figure 1).
- A majority rate the nation's health care system as *fair* (30 percent) or *poor* (29 percent). Only a small minority give it *excellent* (6 percent) or *very good* (10 percent) marks (Figure 2).
- Between 68 percent and 88 percent of Americans either *strongly* or *somewhat* support health reform ideas such as national health plans, a public plan option, guaranteed issue, expansion of Medicare and Medicaid, and employer and individual mandates (Figure 3).
- Reaction to capping the current tax exclusion of employment-based health benefits is mixed. Nearly one-half of Americans (47 percent) would switch to a lower-cost plan if the tax exclusion were capped, 38 percent would stay on their current plan and pay the additional taxes, and 9 percent do not know what they would do (Figure 4).
- Individuals with employment-based health benefits are confident that employers will continue to offer such benefits (Figure 5). They are much less confident that they would be able to afford coverage on their own, even if employers gave them the money they currently spend on health benefits. However, were employers to stop offering coverage, respondents report that they are likely to purchase it on their own (Figure 6).
- Most Americans are at least somewhat comfortable with choosing hospitals and doctors based on rating systems on how successfully they have treated patients with specific conditions. Thirty-two percent were *extremely* or *very* comfortable and 38 percent were *somewhat* comfortable (Figure 7). A sizable percentage reported that they would change doctors if their doctor did not recommend the most effective treatment option.
- A majority say that if two doctors' quality ratings were about equal, information about total cost would be *extremely* (27 percent) or *very* (32 percent) important to them when choosing a doctor (Figure 8). Nearly one-half (48 percent) report that information about the effectiveness of treatments when they are trying to choose a treatment would be *extremely* important, and another 32 percent reported it would be *very* important.

- Many Americans see themselves as good consumers of the health care system. Three-quarters (76 percent) report they always or often have their doctor or medical professional explain to them why a test was needed, and two-thirds (67 percent) say they ask their doctor about the risks of treatment or side effects of medications. More than one-half (58 percent) indicate they ask about the success rate of the treatment option (Figure 9).
- Many consumers report they are changing the way they use the health care system in response to rising health care costs. Seventy-nine percent of those who experienced increases in the amounts they are responsible for paying under their health insurance plan say these increased costs have led them to try to take better care of themselves, and 77 percent indicate they choose generic drugs more often. Sixty-seven percent also say they talk to the doctor more carefully about treatment options and costs and 64 percent go to the doctor only for more serious conditions or symptoms. One-quarter (25 percent) also report they did not fill or skipped doses of their prescribed medications in response to increased costs (Figure 10).
- Those experiencing cost increases are also likely to report that these increases have negatively affected their household finances. In particular, they indicate that increased health care costs have resulted in a decrease in contributions to a retirement plan (32 percent) and other savings (53 percent) and in difficulty paying for basic necessities (29 percent) and other bills (37 percent) (Figure 11).
- Confidence about various aspects of today's health care system has also remained fairly level with findings from prior years. More than one-half (57 percent) report being *extremely* or *very* confident that they are able to get the treatments they need, and 49 percent are confident they have enough choice about who provides their medical care. Thirty-one percent say they are confident they are able to afford health care without financial hardship (Figure 12).
- Confidence about the health care systems decreases as Americans look to the future. For example, 57 percent of Americans indicate they are *extremely* or *very* confident about their ability to get the treatments they need today, but only 35 percent are confident about their ability to get needed treatments during the next 10 years, and just 22 percent are confident about this once they are eligible for Medicare (Figure 13).
- Americans' ratings of their own health plan are generally favorable. Fifty-eight percent of those with health insurance coverage are *extremely* or *very* satisfied with their current plan, and approximately one-third (30 percent) are *somewhat* satisfied. Only 11 percent say they are *not too* or *not at all* satisfied (Figure 14).
- While half of Americans (56 percent) are *extremely* or *very* satisfied with health care quality, far fewer are satisfied with the cost of health insurance (21 percent) or with costs not covered by insurance (18 percent) (Figure 15).

## Health Care Policy

The 2009 HCS finds that health care is not the issue that the majority of Americans consider to be most pressing in America today. They are more likely to identify the economy (47 percent) than to name health care (15 percent) when asked about the most critical issue facing America today. Nevertheless, dissatisfaction with the American health care system remains widespread. Fourteen percent of Americans say that there is so much wrong with our health care system that it needs to be completely overhauled (down from 24 percent in 2007 and 20 percent in 2008). One-half (51 percent) indicate the statement "there are some good things about our health care system, but major changes are needed" best represents their view. Another 29 percent feel that the health care system works pretty well, but minor changes are needed. Only a very few (4 percent) think the health care system needs no changes (Figure 1).

When asked to rate the health care system, a majority describe it as poor (29 percent) or fair (30 percent). One-quarter (24 percent) consider it good, while only a small minority rate it very good (10 percent) or excellent (6 percent, up from a low of 3 percent in 2000, 2001, and 2005). The percentage of Americans rating the health care system as

|  | 2007 | 2008 | 2009 |
|--|------|------|------|
| There is so much wrong with our health care system that it needs to be completely overhauled | 24%  | 20%  | 14%  |
| There are some good things about our health care system, but major changes are needed        | 47   | 51   | 51   |
| The health care system works pretty well, but minor changes are needed                       | 24   | 24   | 29   |
| The health care system works well and does not need to be changed                            | 3    | 2    | 4    |
| Don't know/Refused   | 2    | 2    | 2    |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2007–2009 Health Confidence Surveys.

poor doubled between 1998 and 2004 (rising from 15 percent to 30 percent), but has remained statistically unchanged since that time (Figure 2).

The 2009 HCS asked some basic questions to gauge reactions to some of the health care policy changes that are currently being considered at a national level. Americans are generally supportive of health insurance market reforms. More than one-half (52 percent) *strongly* support allowing health plans to offer health coverage on a national basis (“allowing major health insurance companies to offer national plans that anyone can purchase”), while another 36 percent *somewhat* support it (Figure 3). Only 9 percent oppose allowing such health insurance market reform.

Most Americans also support some form of a public plan option and “guaranteed issue”—the requirement that insurance companies not deny coverage to persons based on health status. More than one-half (53 percent) *strongly* support the availability of a public plan, while another 30 percent *somewhat* support it. Fourteen percent oppose the idea. Similarly, 55 percent *strongly* support guaranteed issue and 25 percent *somewhat* support it.

Support also exists for expansions in eligibility for public programs. Three-quarters support either *strongly* (45 percent) or *somewhat* (30 percent) expansion of already-existing public programs to cover the uninsured. There is similar support for some form of an employer mandate, with 42 percent *strongly* supporting it and 33 percent *somewhat* supporting it. There is less support for an individual mandate, with 38 percent *strongly* supportive of it, and 30 percent *somewhat* supporting it. There is much less support for enforcement of an individual mandate (“charging a fine to individuals who choose not to have health insurance coverage”), with only 9 percent being in *strong support*, 13 percent *somewhat supportive*, 21 percent *somewhat opposed*, and 55 percent *strongly opposed*.

However, support for enforcement of an individual mandate may increase, depending on how it is presented to the American public. When Americans are asked whether they would support or oppose applying the same laws to health insurance that are used for automobile insurance, so that people would be required to have health insurance or would have to prove they could pay for medical care on their own, 40 percent say they *strongly* (16 percent) or *somewhat* (24 percent) support this kind of law.

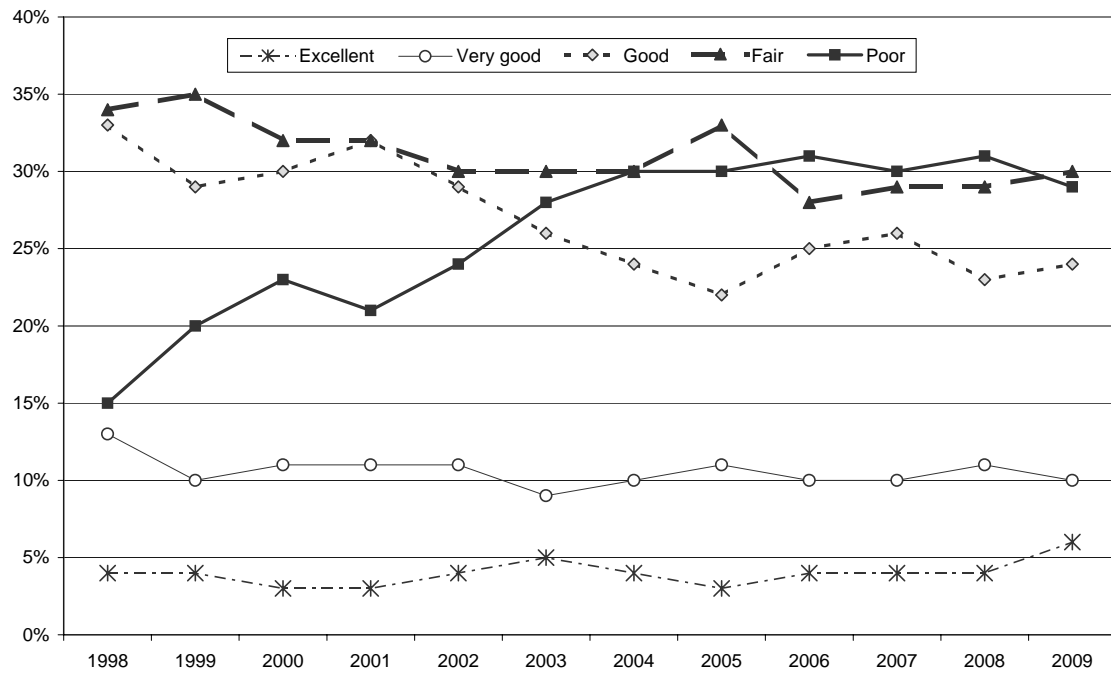
## Reaction to Tax Cap

With the concept of a cap on the tax exclusion of employment-based health benefits on the table, Americans are split in terms of how they would react were a tax cap to be enacted. Less than one-half (47 percent) would switch to a lower-cost plan offered by their employer to avoid the tax if the exclusion were set at \$5,000, while 38 percent would keep the higher-cost plan and pay the required income taxes (Figure 4). Nine percent reported that they did not know what they would do, while another 6 percent reported that the two options were not applicable.

## Continuation of Employment-Based Coverage

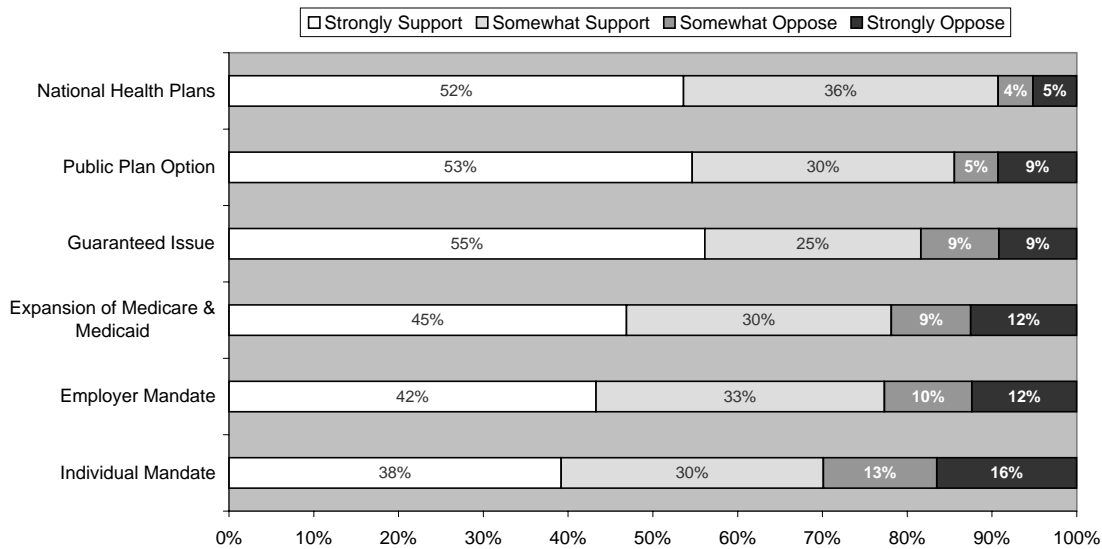
Questions have been raised as to whether employers will continue to offer health benefits to workers were there national health reform.<sup>1</sup> Yet most Americans with employment-based health benefits are confident that their employer

Figure 2  
Rating of Health Care System in America, 1998–2009



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998–2009 Health Confidence Surveys.

Figure 3  
Support for Strategies to Expand Health Insurance Coverage, 2009



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence Survey.

Wording used in the questionnaire for each of these options is:

*National Health Plans:* Allowing major health insurance companies to offer national plans that anyone can purchase.

*Public Plan Option:* Creating a new public health insurance plan that anyone can purchase.

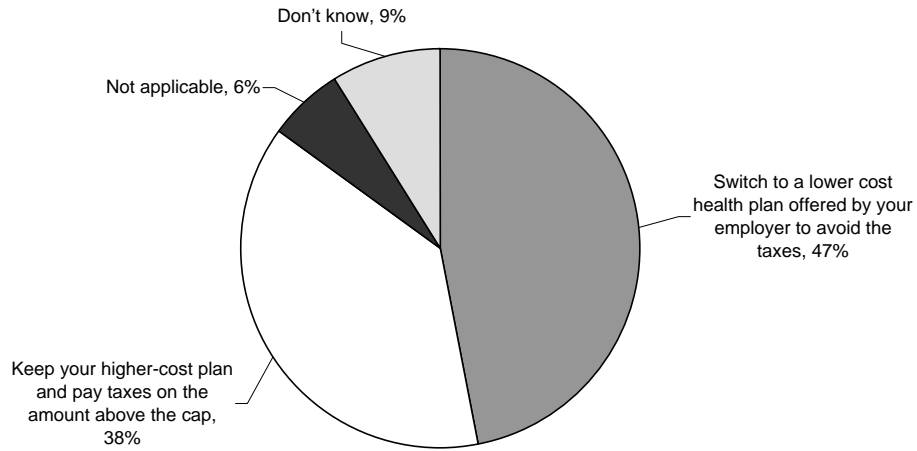
*Guaranteed Issue:* Having national rules requiring insurance companies to cover all people, regardless of their health problems.

*Expansion of Medicare & Medicaid:* Expanding government programs, such as Medicare or Medicaid.

*Employer Mandate:* Requiring all employers to pay toward subsidized health insurance for employees.

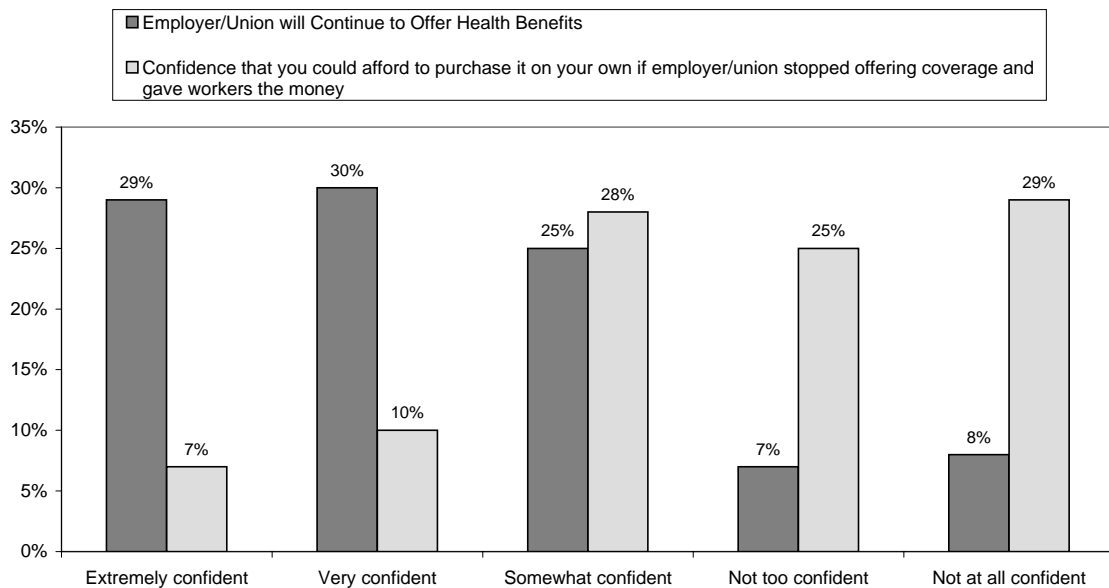
*Individual Mandate:* Requiring everyone to participate in some kind of health insurance plan.

**Figure 4**  
**Reaction to \$5,000 Cap on the Tax Exclusion**  
**of Employment-Based Health Benefits,**  
**Among Employees With Health Insurance Coverage, 2009**



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence

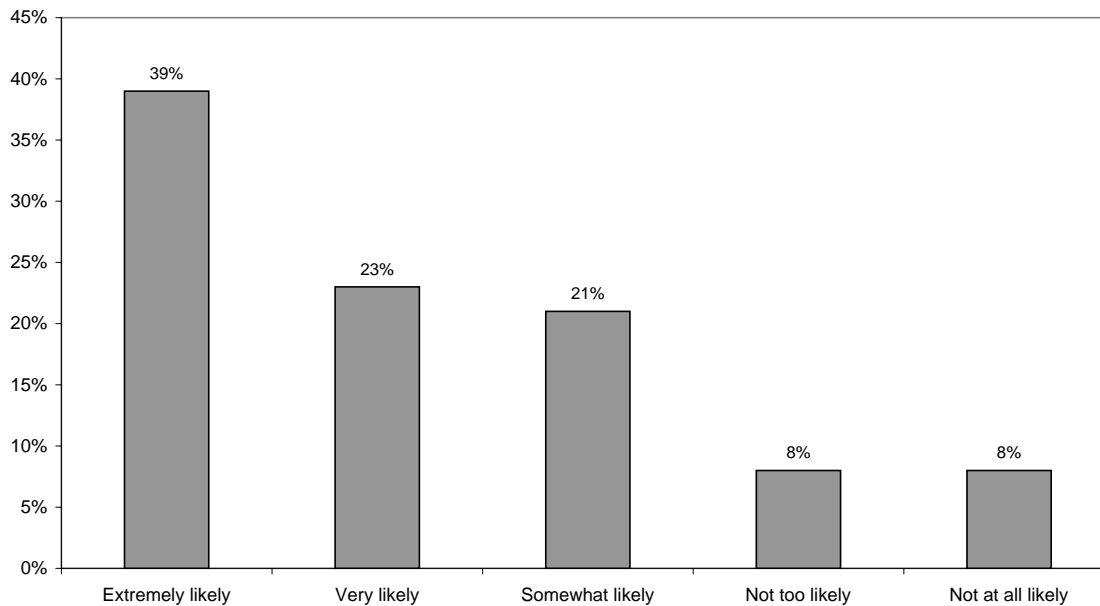
**Figure 5**  
**Confidence in Future of Employment-Based Health Benefits and**  
**Ability to Afford Coverage, Among Americans With Health Insurance**  
**Coverage Through Their Employer or Union, 2009**



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence

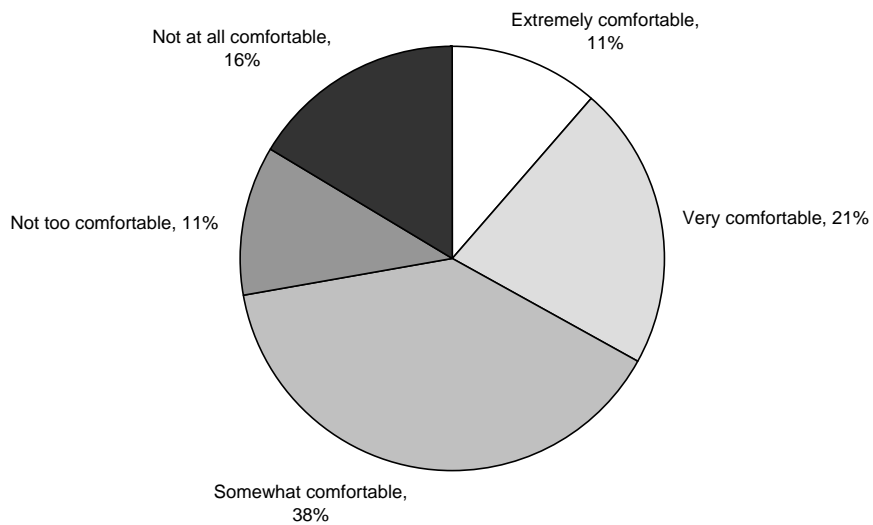


**Figure 6**  
**Likelihood of Purchasing Health Insurance Coverage if Employer Stopped Offering it and Gave Money to Help Pay for it, Among Americans With Coverage Through Their Employer or Union, 2009**



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence

**Figure 7**  
**Comfort With Using Objective Rating Systems to Choose Hospitals and Doctors Based on How Successfully They Have Treated Patients for Specific Conditions, 2009**



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence

or union will continue to offer health insurance for its workers. Almost 3 in 10 are *extremely* confident that this will continue to be the case (29 percent). Thirty percent are *very* confident; 25 percent are *somewhat* confident (Figure 5).

Few Americans who currently have employment-based health benefits are confident they could afford coverage on their own, even if their employer gave them the money it currently spends on their insurance to help them pay for it. Just 17 percent report they are *extremely* (7 percent) or *very* (10 percent) confident they could afford to purchase health insurance on their own if their employer stopped offering coverage. Nearly 3 in 10 (28 percent) are *somewhat* confident, but more than one-half are *not too* (25 percent) or *not at all* (29 percent) confident they could afford coverage.

Nevertheless, a majority of those who currently have employment-based health benefits say it is *extremely* (39 percent) or *very* (23 percent) likely they would purchase health insurance on their own if their employer stopped offering coverage and gave them the money it currently spends to help them pay (Figure 6). Just 16 percent state they would be *not too* or *not at all* likely to purchase it (8 percent each).<sup>2</sup>

## Consumer Issues

Respondents to the 2009 HCS were asked several questions about their involvement in decisions about their own health care and the extent to which they might use new tools to make better decisions about their care. The government, employers, and the health care industry are developing objective rating systems for hospitals and doctors based on how successfully they have treated patients for specific conditions. However, many Americans may not be ready to use these systems to make decisions about providers. Only about one-third indicate they would be *extremely* (11 percent) or *very* (21 percent) comfortable using such a rating system to find a doctor or hospital (Figure 7). At the other extreme, 11 percent report they would be *not too* comfortable and 16 percent report they would be *not at all* comfortable using them. The plurality fall in the middle: 38 percent say they would be *somewhat* comfortable using a rating system like this to find a doctor or hospital.

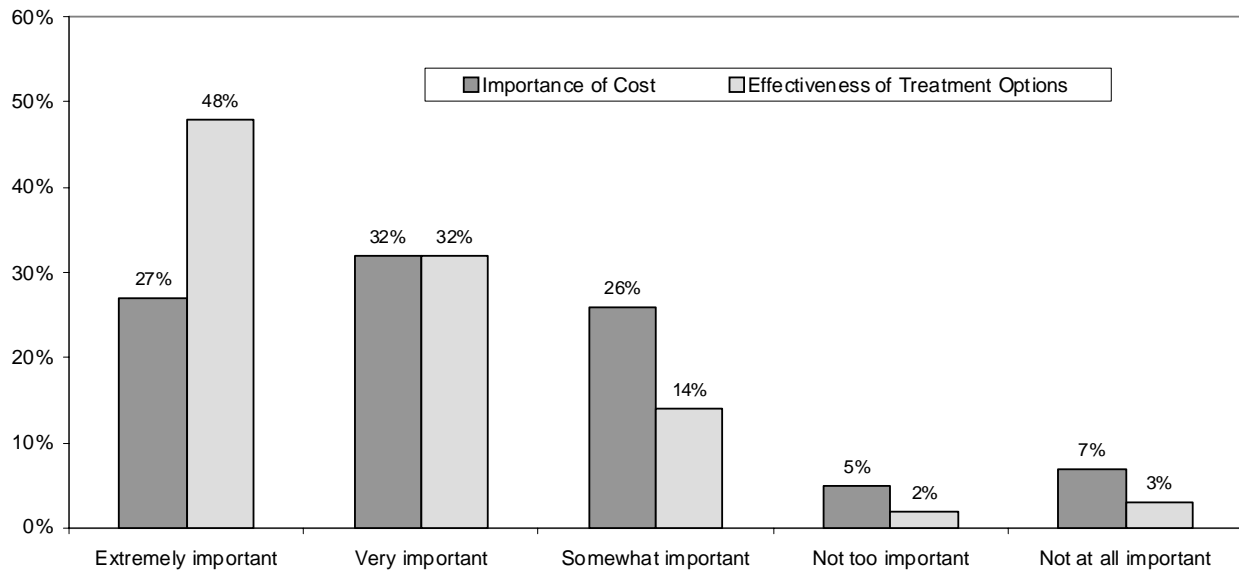
A majority say that that if two doctors' quality ratings were about equal, information about total cost—not just the portion they might pay—would be *extremely* (27 percent) or *very* (32 percent) important to them when choosing a doctor (Figure 8). Twenty-six percent indicate total cost would be *somewhat* important and 12 percent say it would be *not too* (5 percent) or *not at all* important (7 percent).

Some people would like to make information available to patients about how effective or ineffective different types of treatments are at treating health problems. Nearly one-half (48 percent) report that the availability of information about the effectiveness of treatments when they are trying to choose a treatment would be *extremely* important, and another 32 percent report it would be *very* important. Fourteen percent report it would be *somewhat* important, while only 5 percent report that it would be either *not too* (2 percent) or *not at all* (3 percent) important.

There is also a strong indication that incentives would be useful in persuading Americans to choose more effective care. Slightly more than one-quarter (27 percent) report that lower cost sharing would be useful in motivating them to choose a more effective treatment<sup>3</sup> and 34 percent report it would be *very* useful. Another quarter (25 percent) report it would be *somewhat* useful, while about 1 in 10 said it would be *not too* (4 percent) or *not at all* (7 percent) useful.

Furthermore, a sizable percentage reported that they would change doctors if their doctor did not recommend the most effective treatment option. Nearly two-thirds (62 percent) report that they would be *extremely* likely (32 percent) or *very* likely (30 percent) to change doctors if their doctor did not recommend the most effective treatment option. Another 22 percent would be *somewhat* likely to change doctors, while only 15 percent would be *not too* (8 percent) or *not at all* (7 percent) likely to change doctors.

**Figure 8**  
**Importance of Physician Total Costs in Choosing a Doctor**  
**and Importance of Effectiveness of Treatment Options**  
**in Choosing a Treatment, 2009**



Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence Survey.

Many Americans see themselves as good consumers of the health care system. Three-quarters (76 percent) claim they always or often have their doctor or medical professional explain to them why a test was needed, and two-thirds (67 percent) say they ask their doctor about the risks of treatment or side effects of medications. More than one-half (58 percent) indicate they ask about the success rate of the treatment option. Fewer claim they always or often bring a list of symptoms (53 percent), bring a list of medications (51 percent), ask about less costly treatment options or medications (43 percent), and ask for less invasive or easier treatment options (41 percent) (Figure 9).

### The Cost of Health Care

Roughly half of Americans with health insurance coverage (53 percent) report having experienced an increase in the amounts they are responsible for paying under their health insurance plan in the past year. In response, many of these consumers report they are changing the way they use the health care system. Seventy-nine percent say these increased costs have led them to try to take better care of themselves, and 77 percent indicate they choose generic drugs more often (Figure 10). Majorities also say they talk to the doctor more carefully about treatment options and costs (67 percent) and go to the doctor only for more serious conditions or symptoms (64 percent). In addition, 46 percent have delayed going to the doctor, 38 percent have switched to over-the-counter drugs, and 3 in 10 each have looked for cheaper health insurance (29 percent) and less expensive health care providers (29 percent). One-quarter (25 percent) also report they did not fill or skipped doses of their prescribed medications in response to increased costs.

Among insured Americans, those who have experienced an increase in health care costs are more likely to report changes in behavior than those whose health care costs have *not* increased. However, it is unclear as to the overall effect on the health care system, since some of the changes made have the potential to delay diagnosis or impede the treatment of more serious conditions. For example, while those experiencing health care cost increases are more likely to report choosing generic drugs (77 percent vs. 60 percent), talking to the doctor more carefully about treatment options and costs (67 percent vs. 49 percent), and looking for less expensive health care providers (29 percent vs. 10 percent), they are also more likely to go to the doctor only for more serious conditions and symptoms (64 percent vs.

**Figure 9**  
**Reported Consumer Behaviors When Visiting Doctor, 2009**

|   | Always | Often | Sometimes | Rarely | Never |
|---|--------|-------|-----------|--------|-------|
| Have your doctor or medical professional explain to you why a test was needed | 58%    | 18%   | 14%       | 2%     | 6%    |
| Ask your doctor about risks of treatment or side effects of medications       | 49     | 18    | 16        | 7      | 9     |
| Ask about the success rate of the treatment option                            | 40     | 18    | 17        | 10     | 14    |
| Bring a list of symptoms  | 38     | 15    | 20        | 8      | 18    |
| Bring a list of medications   | 43     | 8     | 13        | 8      | 28    |
| Ask about less costly treatment options or medications                        | 27     | 16    | 23        | 12     | 22    |
| Ask for less invasive or easier treatment options                             | 25     | 16    | 24        | 11     | 23    |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence Survey.

**Figure 10**  
**Changes in Health Care Usage Resulting from Cost Increases, Among Those Experiencing Increase in Costs, 2004–2009**

|   | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------|------|------|------|------|------|
| Try to take better care of yourself                                 | 74%  | 71%  | 80%  | 81%  | 76%  | 79%  |
| Choose generic drugs more often <sup>a</sup>                        | 81   | 79   | 82   | 78   | 74   | 77   |
| Talk to the doctor more carefully about treatment options and costs | 58   | 57   | 57   | 66   | 63   | 67   |
| Go to the doctor only for more serious conditions or symptoms       | 57   | 54   | 56   | 64   | 62   | 64   |
| Delay going to the doctor   | 45   | 40   | 44   | 50   | 47   | 46   |
| Switch to over-the-counter drugs                                    | 40   | 33   | 36   | 42   | 39   | 38   |
| Look for cheaper health insurance                                   | 26   | 28   | 26   | 29   | 33   | 29   |
| Look for less expensive health care providers                       | 28   | 27   | 26   | 33   | 33   | 29   |
| Not fill or skip doses of your prescribed medication <sup>a</sup>   | NA   | 21   | 22   | 28   | 20   | 25   |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2004–2009 Health Confidence Surveys.  
<sup>a</sup> Wording for 2004 to 2006 was "Choose generic drugs when available" and "Not take your prescribed medications."

**Figure 11**  
**Shifts in Resources Resulting From Cost Increases, Among Those Experiencing Increase in Costs, 2004–2009**

|  | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|------|------|------|------|------|------|
| Decrease your contributions to a retirement plan, such as a 401(k), 403(b), or 457 plan, or an IRA | 25%  | 26%  | 36%  | 30%  | 29%  | 32%  |
| Decrease your contributions to other savings   | 48   | 45   | 53   | 52   | 54   | 53   |
| Have difficulty paying for basic necessities, like food, heat, and housing                         | 18   | 24   | 28   | 29   | 27   | 29   |
| Have difficulty paying for other bills   | 30   | 34   | 37   | 36   | 34   | 37   |
| Use up all or most of your savings   | 26   | 29   | 33   | 28   | 27   | 29   |
| Increase your credit card debt   | NA   | NA   | 22   | 20   | 22   | 25   |
| Borrow money   | 15   | 18   | 21   | 16   | 15   | 20   |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2004–2009 Health Confidence Surveys.

51 percent), delay going to the doctor (46 percent vs. 32 percent), and not fill or skip doses of prescribed medications (25 percent vs. 17 percent).

The rising cost of health care also causes many Americans to encounter financial difficulties. Among those experiencing an increase in cost under their plan in the past year, 32 percent state they have decreased their contributions to a retirement plan and more than half (53 percent) have decreased their contributions to other savings as a result (Figure 11). Twenty-nine percent also indicate they have had difficulty paying for basic necessities, like food, heat, and housing, while 37 percent say they had difficulty paying other bills. Twenty-nine percent say they have used up all or most of their savings, 25 percent have increased their credit card debt, and 20 percent report borrowing money.

## Confidence in the Health Care System

Confidence about various aspects of today's health care system has also remained fairly level with findings from prior years. More than one-half (57 percent, up from 51 percent in 2008) report being *extremely* or *very* confident that they are able to get the treatments they need, and 49 percent (up from 42 percent in 2008) are confident they have enough choice about who provides their medical care. Thirty-one percent (level with previous years) say they are confident they are able to afford health care without financial hardship. However, 38 percent are *not too* or *not at all* confident about the affordability of health care (Figure 12).

Confidence about the health care systems decreases as Americans look to the future. While 57 percent of Americans indicate they are *extremely* or *very* confident about their ability to get the treatments they need today, only 35 percent are confident about their ability to get needed treatments during the next 10 years and just 22 percent are confident about this once eligible for Medicare. Similarly, 49 percent are confident they have enough choice about who provides their medical care today, but only 30 percent are confident about this aspect of the health care system over the next 10 years and just 21 percent are confident that they will have enough choice once they are eligible for Medicare. Finally, 31 percent of Americans say they are confident they are able to afford health care without financial hardship today, but this percentage decreases to 24 percent when looking out over the next 10 years and to 19 percent when considering Medicare years (Figure 13).

## Satisfaction With the Health Care System

In contrast to the ratings for the health care system overall, Americans' ratings of their own health plan are generally favorable. Fifty-eight percent of those with health insurance coverage are *extremely* or *very* satisfied with their current plan (up from 53 percent in 2008), and one-third (30 percent) are *somewhat* satisfied. Only 11 percent say they are *not too* or *not at all* satisfied (Figure 14).

Dissatisfaction with the health care system appears to be focused primarily on cost. Indeed, satisfaction with health care quality remains fairly high, with more than half of Americans (56 percent, up from 49 percent in 2008) saying they are *extremely* or *very* satisfied with the quality of the medical care they have received in the past two years. Just 21 percent are *extremely* or *very* satisfied with the cost of their health insurance (up from 17 percent in 2008) and only 18 percent are satisfied with the costs of health care services not covered by insurance (Figure 15).

Despite their dissatisfaction with the health care system overall and health care costs in particular, most Americans are unwilling to exchange their employment-based coverage for cash—at least under the current system. When employed Americans with health coverage are asked whether they would prefer \$7,800 in employer-provided health insurance coverage or an additional \$7,800 in taxable income, almost three-quarters (72 percent) choose the employment-based health coverage. Although this percentage has decreased slightly from previous waves of the HCS (down from 76 percent in 2007 and 2008), workers who are unwilling to exchange health coverage for \$7,800 in taxable income are more likely to say that no amount of taxable income would be enough to persuade them to give up coverage (18 percent, up from 11 percent in 2008).<sup>4</sup> Seventeen percent say their employer would have to give them an additional \$10,000–\$14,999 (down from 25 percent) and 25 percent reported they would need \$15,000 or more in taxable income for them to willingly give up their coverage. Six percent would accept less than \$10,000, while 32 percent are unsure of the amount.

**Figure 12**  
**Confidence in Selected Aspects of Today's Health Care System, 2002–2009**

| <b>Ability to Get Needed Treatments</b>                         |      |      |      |      |      |      |      |      |
|---|------|------|------|------|------|------|------|------|
|   | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Extremely confident   | 21%  | 18%  | 17%  | 22%  | 20%  | 19%  | 19%  | 22%  |
| Very confident  | 34   | 33   | 33   | 37   | 33   | 34   | 32   | 35   |
| Somewhat confident  | 32   | 34   | 34   | 29   | 31   | 32   | 32   | 28   |
| Not too confident   | 6    | 7    | 7    | 5    | 7    | 7    | 7    | 7    |
| Not at all confident  | 6    | 6    | 9    | 6    | 8    | 8    | 9    | 8    |
| <b>Enough Choice About Who Provides Medical Care</b>            |      |      |      |      |      |      |      |      |
|   | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Extremely confident   | 20%  | 13%  | 15%  | 16%  | 14%  | 12%  | 16%  | 19%  |
| Very confident  | 25   | 30   | 27   | 33   | 28   | 31   | 26   | 30   |
| Somewhat confident  | 35   | 36   | 36   | 32   | 38   | 35   | 33   | 29   |
| Not too confident   | 10   | 11   | 9    | 8    | 7    | 9    | 12   | 11   |
| Not at all confident  | 8    | 9    | 12   | 9    | 11   | 11   | 11   | 10   |
| <b>Ability to Afford Health Care Without Financial Hardship</b> |      |      |      |      |      |      |      |      |
|   | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Extremely confident   | 14%  | 13%  | 11%  | 12%  | 11%  | 12%  | 12%  | 11%  |
| Very confident  | 21   | 19   | 23   | 21   | 18   | 19   | 19   | 20   |
| Somewhat confident  | 33   | 31   | 31   | 33   | 32   | 31   | 26   | 29   |
| Not too confident   | 13   | 16   | 11   | 13   | 13   | 15   | 16   | 12   |
| Not at all confident  | 18   | 21   | 23   | 21   | 25   | 21   | 26   | 26   |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2002–2009 Health Confidence Surveys.

**Figure 13**  
**Confidence in Selected Aspects of the Health Care System, Today, During the Next 10 Years, and Once Eligible for Medicare, 2009**

| <b>Ability to Get Needed Treatments</b>                         |       |                      |   |
|---|-------|----------------------|---|
|   | Today | During Next 10 Years | Once Eligible for Medicare (among those not currently eligible) |
| Extremely confident   | 22%   | 13%                  | 8%  |
| Very confident  | 35    | 22                   | 14  |
| Somewhat confident  | 28    | 40                   | 43  |
| Not too confident   | 7     | 13                   | 14  |
| Not at all confident  | 8     | 11                   | 18  |
| <b>Enough Choice About Who Provides Medical Care</b>            |       |                      |   |
|   | Today | During Next 10 Years | Once Eligible for Medicare (among those not currently eligible) |
| Extremely confident   | 19%   | 11%                  | 6%  |
| Very confident  | 30    | 19                   | 15  |
| Somewhat confident  | 29    | 37                   | 37  |
| Not too confident   | 11    | 16                   | 19  |
| Not at all confident  | 10    | 15                   | 20  |
| <b>Ability to Afford Health Care Without Financial Hardship</b> |       |                      |   |
|   | Today | During Next 10 Years | Once Eligible for Medicare (among those not currently eligible) |
| Extremely confident   | 11%   | 9%                   | 8%  |
| Very confident  | 20    | 15                   | 11  |
| Somewhat confident  | 29    | 35                   | 34  |
| Not too confident   | 12    | 18                   | 22  |
| Not at all confident  | 26    | 22                   | 23  |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Health Confidence Survey.

**Figure 14**  
**Satisfaction With Current Health Plan, 1998–2009**

|                      | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|----------------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Extremely satisfied  | 16%  | 15%  | 14%  | 12%  | 13%  | 14%  | 16%  | 17%  | 18%  | 17%  | 17%  | 21%  |
| Very satisfied       | 36   | 38   | 36   | 39   | 39   | 36   | 31   | 37   | 36   | 38   | 36   | 37   |
| Somewhat satisfied   | 35   | 36   | 38   | 35   | 34   | 41   | 36   | 35   | 35   | 33   | 33   | 30   |
| Not too satisfied    | 8    | 6    | 7    | 7    | 7    | 7    | 9    | 6    | 6    | 5    | 9    | 7    |
| Not at all satisfied | 3    | 3    | 4    | 3    | 6    | 2    | 6    | 4    | 3    | 7    | 5    | 4    |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998–2009 Health Confidence Surveys.

**Figure 15**  
**Satisfaction With Selected Aspects of Health Care Received in Past Two Years, 1998–2009<sup>a</sup>**

|                      | Quality of Medical Care Received |      |      |      |      |      |      |      |      |      |      |      |
|----------------------|----------------------------------|------|------|------|------|------|------|------|------|------|------|------|
|                      | 1998                             | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Extremely satisfied  | 15%                              | 13%  | 12%  | 13%  | 12%  | 15%  | 14%  | 15%  | 16%  | 14%  | 17%  | 19%  |
| Very satisfied       | 37                               | 35   | 37   | 40   | 39   | 37   | 38   | 42   | 37   | 36   | 32   | 37   |
| Somewhat satisfied   | 30                               | 31   | 35   | 32   | 34   | 31   | 31   | 31   | 34   | 35   | 36   | 31   |
| Not too satisfied    | 4                                | 6    | 5    | 4    | 4    | 5    | 5    | 3    | 5    | 5    | 6    | 5    |
| Not at all satisfied | 2                                | 3    | 4    | 2    | 3    | 3    | 4    | 5    | 4    | 4    | 5    | 4    |
| Don't know/ Refused  | 1                                | 1    | <0.5 | <0.5 | 1    | <0.5 | 1    | <0.5 | 1    | 1    | 1    | 1    |
| Not applicable       | 11                               | 11   | 6    | 8    | 6    | 8    | 8    | 3    | 4    | 4    | 3    | 3    |

|                      | Cost of Health Insurance |      |      |      |      |      |      |      |      |      |      |      |
|----------------------|--------------------------|------|------|------|------|------|------|------|------|------|------|------|
|                      | 1998                     | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Extremely satisfied  | 12%                      | 7%   | 7%   | 10%  | 9%   | 6%   | 9%   | 7%   | 5%   | 5%   | 6%   | 5%   |
| Very satisfied       | 17                       | 17   | 15   | 19   | 17   | 16   | 16   | 21   | 11   | 13   | 11   | 16   |
| Somewhat satisfied   | 29                       | 30   | 29   | 28   | 27   | 24   | 26   | 32   | 27   | 28   | 29   | 28   |
| Not too satisfied    | 16                       | 17   | 18   | 15   | 15   | 19   | 11   | 14   | 16   | 18   | 16   | 18   |
| Not at all satisfied | 13                       | 13   | 19   | 15   | 21   | 21   | 23   | 19   | 35   | 30   | 31   | 28   |
| Don't know/ Refused  | 1                        | 2    | 1    | 2    | 2    | 1    | 1    | 1    | 1    | 2    | 2    | 2    |
| Not applicable       | 12                       | 15   | 9    | 11   | 8    | 12   | 13   | 6    | 4    | 3    | 5    | 4    |

|                      | Health Costs Not Covered by Insurance |      |      |      |      |      |      |      |      |      |      |      |
|----------------------|---------------------------------------|------|------|------|------|------|------|------|------|------|------|------|
|                      | 1998                                  | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Extremely satisfied  | 7%                                    | 5%   | 5%   | 7%   | 5%   | 4%   | 6%   | 7%   | 4%   | 5%   | 4%   | 6%   |
| Very satisfied       | 13                                    | 15   | 14   | 17   | 15   | 15   | 13   | 14   | 11   | 11   | 11   | 12   |
| Somewhat satisfied   | 27                                    | 28   | 28   | 28   | 26   | 25   | 26   | 30   | 28   | 29   | 26   | 23   |
| Not too satisfied    | 16                                    | 18   | 18   | 15   | 18   | 21   | 15   | 16   | 16   | 18   | 18   | 19   |
| Not at all satisfied | 18                                    | 15   | 22   | 19   | 23   | 23   | 26   | 22   | 32   | 29   | 28   | 30   |
| Don't know/ Refused  | 3                                     | 2    | 2    | 2    | 4    | 2    | 2    | 2    | 1    | 1    | 4    | 3    |
| Not applicable       | 16                                    | 18   | 11   | 12   | 8    | 10   | 13   | 10   | 7    | 7    | 9    | 7    |

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1998–2009 Health Confidence Surveys.  
<sup>a</sup> Statistics for 1998–2004 were recalculated and may not agree with previously published data. An intervening question screening out respondents who reported these questions were not applicable was omitted from the 2005–2009 HCS. These respondents have been added to the “not applicable” category to achieve rough compatibility with 2005–2009 data.

## The 2009 HCS

These findings are part of the 12<sup>th</sup> annual Health Confidence Survey (HCS), a survey that examines a broad spectrum of health care issues, including Americans' satisfaction with health care today, their confidence in the future of the health care system and the Medicare program, and their attitudes toward health care reform. The survey was conducted within the United States between May 8 and June 2, 2009, through 21-minute telephone interviews with 1,000 individuals age 21 and older. Random digit dialing with a cell phone supplement was used to obtain a representative cross section of the U.S. population. Interview quotas were established by sex of respondent and employment status, and the data were weighted by gender, age, and education to reflect the actual proportions in the population.

In theory, the weighted sample of 1,000 yields a statistical precision of plus or minus 3.5 percentage points (with 95 percent confidence) of what the results would be if the entire population age 21 and older were surveyed with complete accuracy. However, there are other possible sources of error in all surveys that may be more serious than theoretical calculations of sampling error. These include refusals to be interviewed and other forms of nonresponse, the effects of question wording and question order, interviewer bias, and screening. While attempts are made to minimize these factors, it is impossible to quantify the errors that may result from them.

The HCS is co-sponsored by the Employee Benefit Research Institute (EBRI), a private, nonprofit, nonpartisan public policy research organization, and Mathew Greenwald & Associates, Inc., a Washington, DC-based market research firm. The 2009 HCS data collection was funded by grants from 14 private organizations. Staffing was donated by EBRI and Greenwald & Associates. HCS materials and a list of underwriters may be accessed at the EBRI Web site: [www.ebri.org/hcs](http://www.ebri.org/hcs)

## Endnotes

---

<sup>1</sup> Paul Fronstin and Murray N. Ross, "Addressing Health Care Market Reform Through an Insurance Exchange: Essential Policy Components, the Public Plan Option, and Other Issues to Consider," *EBRI Issue Brief*, no. 330 (Employee Benefit Research Institute, June 2009).

<sup>2</sup> Findings from previous HCS suggest that the seeming contradiction between the large percentage saying they are not confident they could afford to purchase insurance on their own and the percentage reporting they are likely to purchase coverage anyway is explained by the fact that many would replace their richer employment-based plan with more basic coverage.

<sup>3</sup> The questionnaire wording was "Health insurance companies could offer you an incentive, such as charging you less money for care, when you choose a more effective treatment. How useful do you think these types of incentives would be in motivating you personally to choose a more effective treatment?"

<sup>4</sup> The amount cited in the question was updated annually to reflect the average amount paid by employers for health benefits. This was \$7,500 in 2007 and 2008 and \$7,800 in 2009.



**Where the world turns for the facts on U.S. employee benefits.**

Retirement and health benefits are at the heart of workers', employers', and our nation's economic security. Founded in 1978, EBRI is the most authoritative and objective source of information on these critical, complex issues.

**EBRI focuses solely on employee benefits research — no lobbying or advocacy**

EBRI stands alone in employee benefits research as an independent, nonprofit, and nonpartisan organization. It analyzes and reports research data without spin or underlying agenda. All findings, whether on financial data, options, or trends, are revealing and reliable — the reason EBRI information is the gold standard for private analysts and decision makers, government policymakers, the media, and the public.

**EBRI explores the breadth of employee benefits and related issues**

EBRI studies the world of health and retirement benefits — issues such as 401(k)s, IRAs, retirement income adequacy, consumer-driven benefits, Social Security, tax treatment of both retirement and health benefits, cost management, worker and employer attitudes, policy reform proposals, and pension assets and funding. There is widespread recognition that if employee benefits data exist, EBRI knows it.

**EBRI delivers a steady stream of invaluable research and analysis**

- EBRI publications include in-depth coverage of key issues and trends; summaries of research findings and policy developments; timely factsheets on hot topics; regular updates on legislative and regulatory developments; comprehensive reference resources on benefit programs and workforce issues; and major surveys of public attitudes.
- EBRI meetings present and explore issues with thought leaders from all sectors.
- EBRI regularly provides congressional testimony, and briefs policymakers, member organizations, and the media on employer benefits.
- EBRI issues press releases on newsworthy developments, and is among the most widely quoted sources on employee benefits by all media.
- EBRI directs members and other constituencies to the information they need, and undertakes new research on an ongoing basis.
- EBRI maintains and analyzes the most comprehensive database of 401(k)-type programs in the world. Its computer simulation analyses on Social Security reform and retirement income adequacy are unique.

**EBRI makes information freely available to all**

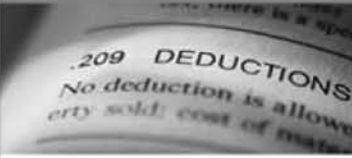
EBRI assumes a public service responsibility to make its findings completely accessible at [www.ebri.org](http://www.ebri.org) — so that all decisions that relate to employee benefits, whether made in Congress or board rooms or families' homes, are based on the highest quality, most dependable information. EBRI's Web site posts all research findings, publications, and news alerts. EBRI also extends its education and public service role to improving Americans' financial knowledge through its award-winning public service campaign *ChoosetoSave*® and the companion site [www.choosetosave.org](http://www.choosetosave.org)

**EBRI is supported by organizations from all industries and sectors that appreciate the value of unbiased, reliable information on employee benefits.** Visit [www.ebri.org/about/join/](http://www.ebri.org/about/join/) for more.

What's New at EBRI  
401(k) Valuations  
Choose a Year

- Publications
- By Topic
- Data Book
- Facts from EBRI
- Fast Facts
- Fundamentals
- Issue Briefs
- Notes
- Policy Books
- President's Reports
- Press Releases
- Special Reports
- Testimony
- Resources
- Benefit Bibliography
- Benefit FAQs
- Links to Other Internet Resources
- Reference Shelf
- Special Issues of Periodicals
- What's New in Employee Benefits

**EBRI Issue Brief – January 2009**



**Capping the Tax Exclusion for Employment-Based Health Coverage: Implications for Employers and Workers**

This new study by EBRI examines implications for employers and workers involved in capping the tax exclusion for employment-based health coverage, an issue that could come up during this year's expected debate over overhauling the nation's health care system. Press release

**EBRI Notes – January 2009**



**Lump-Sum Distributions at Job Change**

An increasing percentage of retirement plan participants are preserving their retirement assets in tax-qualified accounts, but a significant number are using at least some these assets to pay off debts, start a business, or buy a home, according to a study released today by the EBRI. Press release

- Most Viewed last 30 days**
- Employee Benefit Research Institute
  - EBRI Databook on Employee Benefits
  - 2009 Fast Facts
  - 401(k) Valuations
  - Facts From EBRI

**2009 Policy Resources: Facts on Benefit Issues**

**401(k) Valuations**  
Published: January 20, 2009  
401(k) Balances and Changes Due to Market Volatility

**Data Book**  
Last Updated: December 2008  
A comprehensive collection of the most up-to-date benefit information available

**EBRI Issue Brief – December 2008**



**401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2007**

More than 7 percent of 401(k) assets at year-end 2007 were invested in lifecycle funds and one-quarter of 401(k) participants held lifecycle funds, according to analysis by the nonpartisan Employee Benefit Research Institute (EBRI) and the Investment Company Institute (ICI). The findings are part of the annual update of the EBRI/ICI 401(k) database, the largest of its kind, and represent the two groups' first application of the database to examine investors' use of lifecycle funds. Press release

**New Edition Available: 'Fundamentals of Employee Benefit Programs'**

The all-new Sixth Edition of EBRI's essential reference book, *Fundamentals of Employee Benefit Programs*, is now available for purchase. For more information, click here. To order individual copies of the book, click here. EBRI Member organizations wishing to order the book should e-mail [publications@ebri.org](mailto:publications@ebri.org)

**Fast Facts**  
Published: January 27, 2009  
"Where—and How Much—Do Employers Spend on Compensation?"

**Retirement Survey**  
Published: July 2008  
Our most widely read survey on key retirement indicators

## CHECK OUT EBRI'S WEB SITE!

***EBRI's Web site is easy to use and packed with useful information! Look for these special features:***

- EBRI's entire library of research publications starts at the main Web page. Click on *EBRI Issue Briefs* and *EBRI Notes* for our in-depth and nonpartisan periodicals.
- To get answers to many frequently asked questions about employee benefits, click on Benefit FAQs.
- EBRI's reliable health and retirement surveys are just a click away through the topic boxes at the top of the page.
- Instantly get e-mail notifications of the latest EBRI data, surveys, publications, and meetings and seminars by clicking on the Sign Up for Updates box at the top of our home page.

***There's lots more!  
Visit EBRI on-line today: [www.ebri.org](http://www.ebri.org)***

*Established in 1978, the Employee Benefit Research Institute (EBRI) is the only independent nonprofit, nonpartisan organization committed exclusively to data dissemination, research, and education on economic security and employee benefits.*

*The Institute seeks to advance the public's, the media's and policymakers' knowledge and understanding of employee benefits and their importance to our nation's economy.*

*EBRI's mission is to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education.*

*EBRI has earned widespread regard as an organization that "tells it like it is," based on the facts. As the Bylaws state: "In all its activities, the Institute shall function strictly in an objective and unbiased manner and not as an advocate or opponent of any position."*

---

*EBRI Employee Benefit Research Institute Issue Brief* (ISSN 0887-137X) is published monthly by the Employee Benefit Research Institute, 1100 13th St. NW, Suite 878, Washington, DC, 20005-4051, at \$300 per year or is included as part of a membership subscription. Periodicals postage rate paid in Washington, DC, and additional mailing offices. POSTMASTER: Send address changes to: *EBRI Issue Brief*, 1100 13th St. NW, Suite 878, Washington, DC, 20005-4051. Copyright 2009 by Employee Benefit Research Institute. All rights reserved. No. 331.

---

## Who we are

---

The Employee Benefit Research Institute (EBRI) was founded in 1978. Its mission is to contribute to, to encourage, and to enhance the development of sound employee benefit programs and sound public policy through objective research and education. EBRI is the only private, nonprofit, nonpartisan, Washington, DC-based organization committed exclusively to public policy research and education on economic security and employee benefit issues. EBRI's membership includes a cross-section of pension funds; businesses; trade associations; labor unions; health care providers and insurers; government organizations; and service firms.

## What we do

---

EBRI's work advances knowledge and understanding of employee benefits and their importance to the nation's economy among policymakers, the news media, and the public. It does this by conducting and publishing policy research, analysis, and special reports on employee benefits issues; holding educational briefings for EBRI members, congressional and federal agency staff, and the news media; and sponsoring public opinion surveys on employee benefit issues. **EBRI's Education and Research Fund** (EBRI-ERF) performs the charitable, educational, and scientific functions of the Institute. EBRI-ERF is a tax-exempt organization supported by contributions and grants.

## Our publications

---

*EBRI Issue Briefs* are periodicals providing expert evaluations of employee benefit issues and trends, as well as critical analyses of employee benefit policies and proposals. *EBRI Notes* is a monthly periodical providing current information on a variety of employee benefit topics. EBRI's *Pension Investment Report* provides detailed financial information on the universe of defined benefit, defined contribution, and 401(k) plans. EBRI *Fundamentals of Employee Benefit Programs* offers a straightforward, basic explanation of employee benefit programs in the private and public sectors. The *EBRI Databook on Employee Benefits* is a statistical reference work on employee benefit programs and work force-related issues. [www.ebri.org](http://www.ebri.org)

## Orders/ Subscriptions

---

Contact EBRI Publications, (202) 659-0670; fax publication orders to (202) 775-6312. Subscriptions to *EBRI Issue Briefs* are included as part of EBRI membership, or as part of a \$199 annual subscription to *EBRI Notes* and *EBRI Issue Briefs*. Individual copies are available with prepayment for \$25 each (for printed copies). **Change of Address:** EBRI, 1100 13th St. NW, Suite 878, Washington, DC, 20005-4051, (202) 659-0670; fax number, (202) 775-6312; e-mail: [subscriptions@ebri.org](mailto:subscriptions@ebri.org) **Membership Information:** Inquiries regarding EBRI membership and/or contributions to EBRI-ERF should be directed to EBRI President/ASEC Chairman Dallas Salisbury at the above address, (202) 659-0670; e-mail: [salisbury@ebri.org](mailto:salisbury@ebri.org)

**Editorial Board:** Dallas L. Salisbury, publisher; Stephen Blakely, editor. Any views expressed in this publication and those of the authors should not be ascribed to the officers, trustees, members, or other sponsors of the Employee Benefit Research Institute, the EBRI Education and Research Fund, or their staffs. Nothing herein is to be construed as an attempt to aid or hinder the adoption of any pending legislation, regulation, or interpretative rule, or as legal, accounting, actuarial, or other such professional advice.

*EBRI Issue Brief* is registered in the U.S. Patent and Trademark Office. ISSN: 0887-137X/90 0887-137X/90 \$.50+.50