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Insured American's Lifetime Healthcare Expenses May Top \$700K, According to New Synchrony Research

Synchrony "Lifetime of Healthcare Costs" Study Indicates Insured Respondents Underestimated Annual Cost of Care by 145%

Americans Delaying Medical Procedures Due to Cost, Study Finds

STAMFORD, Conn., Nov. 14, 2022 /PRNewswire/ -- An insured American with an employer-sponsored health insurance plan can expect to spend more than \$320,000 (including insurance premiums and out-of-pocket costs) during his/her adult lifetime, according to new consumer research from Synchrony (NYSE: SYF), a premier consumer financial services company. This number may be more than double — topping \$700,000 — for Americans who purchase their own insurance (without employer or government subsidies) or for those who suffer from chronic illnesses such as diabetes, heart disease or cancer.



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Additionally, the *Synchrony Lifetime of Healthcare Costs* study suggests many people significantly underestimate their annual healthcare expenditures and do not save for future healthcare costs, leading many to delay recommended medical procedures, often to the detriment of their health. For example, while respondents estimated their annual out-of-pocket healthcare expenditures as approximately \$850 (not including paid premiums) on average, the actual spending [1] averages around \$2,100 annually — 145%, or nearly one-and-a-half times, more than the anticipated cost.

"Today's consumers set aside money for college or a mortgage, but not for healthcare. As a leader in patient financing, we believe it is important to build awareness among consumers of the cost of healthcare over a lifetime, so they think about and prepare for how to save and pay for their current and future healthcare needs," said Alberto Casellas, chief executive officer, Health and Wellness, Synchrony. "The study shows there is a meaningful gap between people's perceptions and the reality of the costs of healthcare. As consumers assume more and more responsibility for their healthcare expenses, it is important to understand the cost of care and how to find responsible financial solutions that can help them save for and manage those costs."

Feeling the financial pressure

The \$320,000 average, based on a subset of the nearly 3,200 survey respondents included in the study [2], breaks down as follows: respondents incurred on average \$5,266 of annual individual healthcare costs (including insurance premiums, out-of-pocket expenses and co-insurance over deductibles). Extrapolated during an adult lifetime, this could mean an estimated \$320,000 in individual healthcare costs between the ages of 18 and 79.

The impact of these real-world costs is substantial: more than one in four respondents said they have delayed a recommended procedure due to cost — and an almost 20% of respondents ignored the recommended care completely. For those who delayed or ignored the recommended care, nearly 50% said it caused additional medical issues.

The big question: are we saving enough?

According to the study, four out of five said they do not have a dedicated savings account for unexpected health costs. Among those who do, almost half say it is not enough. Fewer than half are actively saving for future healthcare expenses; and of those who are, only 55% believe it will be enough to meet their expenses.

The generational divide

While affordability of healthcare is a crucial concern among all respondents, the study illustrates stark differences when data is broken out by age:

- Half of Gen Z, Millennials and Gen X, on average, would hold off non-urgent medical treatment if the cost of care was between \$500 and \$999 as compared to approximately one-third of Boomers.
- Approximately 25% of Gen Z, Millennials and Gen X would hold off non-urgent medical treatment if the cost of care was less than \$500 as compared to 16% of Boomers and 10% of the Silent Generation.
- 65% of Millennials and 60% of Gen Xers were not financially prepared for their most

costly out-of-pocket healthcare expense. This number falls to more than 40% for Boomers and 23% for members of the Silent Generation.

Healthcare planning resources

Synchrony, a Fortune 200 company with a 90-year heritage in consumer lending and more than 35 years of experience in healthcare finance through its CareCredit credit card, is offering educational resources to help patients learn more about healthcare costs and the financial solutions that can help patients plan and pay for care. To read the *Synchrony Lifetime of Healthcare Costs* research or to find content about various healthcare procedures, solutions to pay for care with or without insurance, and opportunities to ask questions of care experts, please visit <https://www.carecredit.com/lifetime-study/>.

[CareCredit](#) is a health and wellness credit card that patients can use to pay for deductibles, for treatments and procedures that are partially covered or not covered by insurance, and for other health and wellness services for individuals and their pets. It is accepted at more than 260,000 provider and retail locations nationwide.

Methodology

The *Lifetime of Healthcare Costs* study was performed by ASQ360° Market Research/Stephens & Associates on behalf of Synchrony. Researchers surveyed 3,176 respondents, including 592 members of Gen Z (born after 1996), 796 Millennials (born 1977 to 1996), 791 members of Gen X (born 1965 to 1976), 836 Boomers (born 1946 to 1964) and 161 members of the Silent Generation (born before 1946). The survey was conducted in July and August of 2022.

About Synchrony

Synchrony (NYSE: [SYF](#)) is a premier consumer financial services company delivering one of the industry's most complete digitally enabled product suites. Our experience, expertise, and scale encompass a broad spectrum of industries, including digital, health and wellness, retail, telecommunications, home, auto, outdoor, pet and more. We have relationships with an established and diverse group of national and regional retailers, local merchants, manufacturers, buying groups, industry associations, and healthcare service providers, which we refer to as our "partners." We connect our partners and consumers through our dynamic financial ecosystem and provide them with a diverse set of financing solutions and innovative digital capabilities to address their specific needs and deliver seamless, omnichannel experiences. We offer the right financing products to the right customers in their channel of choice. For more information, visit www.synchrony.com and Twitter: [@Synchrony](#).

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¹ 2022 Lifetime of Healthcare Costs, conducted by ASQ360° Market Research/Stephens & Associates on behalf of CareCredit, August 2022; Based on the sum of healthcare provider visits, medical equipment, prescription and OTC drugs, and co-insurance costs exceeding deductibles.

² 2022 Lifetime of Healthcare Costs, conducted by ASQ360° Market Research/Stephens & Associates on behalf of CareCredit, August 2022; 812 survey respondents with employer-sponsored HMO or PPO single coverage health insurance plans.



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