Urgent Medical Care, Facing Bankruptcy and Eviction:

How Volkswagen Reached Record Profits by Strategically Shifting Health Care Costs onto Its U.S. Workforce, Taxpayers

Introduction

A comprehensive survey of nearly 1,800 Volkswagen's Chattanooga workers paints a stark picture of a workforce burdened by inferior health care benefits and skyrocketing out-of-pocket expenses. These findings highlight an alarming trend: Volkswagen's health care benefits for its U.S. employees not only lag industry standards but have also contributed to widespread financial hardship, debt, and, in many cases, a decision to forgo necessary medical care altogether. The survey was conducted between January and March 2025.

The health care coverage provided by Volkswagen places workers in a vulnerable and precarious position. Nearly three out of four (73%) Volkswagen Chattanooga workers reported either being forced to choose between paying for medical care and other essential expenditures like rent and food, or having borrowed money or declared bankruptcy to cover medical expenses. That rate rises to four out of every five parents and caregivers with children on a VW health insurance plan.

In addition to completing the survey, hundreds of VW workers surveyed shared personal stories about being forced to skip necessary medical care and the extreme financial strain they've experienced due to VW's lower standards.

Key Findings:

The 2025 health care survey of VW Chattanooga workers paints a dire picture of the real-world impact of the company's substandard plans.

- **67%** reported being forced to choose between paying for medical care and other basic necessities, such as rent, utilities, and food.
- **58%** admitted to borrowing money—via credit cards, loans, 401(k) withdrawals, or from family and friends—or filing for bankruptcy due to medical expenses.
- **57%** currently have outstanding medical debt, including accounts in collections and wage garnishments.
- **18%** of survey respondents rely on publicly-funded TennCare, Tennessee's Medicaid program, to insure their children – allowing VW to shift their responsibility to employees on to Tennessee taxpayers.
- **29%** have faced financial hardship specifically due to medical bills from a workplace injury.
- **20%** have been forced to take on a second job simply to pay for their medical bills.

These statistics reveal that Volkswagen's health care plans are not just financially burdensome—they are creating a cycle of debt and financial instability for its workforce.

Personal Stories: Real People, Real Hardship

One VW worker in the Battery Department shared that: "My wife is disabled so I am the only one working. She goes to the doctor when she needs to, but I have dental work that I have needed for almost 2 years and have not done due to the expense."

A VW assembly worker reported: "I have had to forgo medical care due to the costs even though I pay for insurance, and I pay over a hundred dollars a month for my prescription."

Another VW assembly worker said: "I went to the ER due to an illness last year—I couldn't breathe. Bill was way too expensive, and I received 3 to 4 total. It hurt my finances tremendously as I had to figure out how to pay for my other bills that have gone up due to inflation."

"At my last job I had better health care where I only had to pay $25 to see my primary doctor versus now it costs me $75 a visit until I hit my deductible," said **another VW worker.** "Then two years ago I had a health scare where I had to go see a hematologist and when I got the bill I had to pay $500 out of pocket because I did not meet my deductible yet – versus at my last job, when I had to see a specialist, it only cost me a dime, and I was working for a much smaller company than Volkswagen."

One VW worker said, "I've worked other jobs to make sure I can get my medical bills paid, but not now. Now I barely get my deductible paid and I don't get to use my insurance because it's time to start a new year, so I'm paying the deductible every year for my doctors' visits and paying my monthly insurance for insurance I don't get to use because of the deductible I have to reach before my insurance will cover anything. I have to have something major come up and pay it off before my insurance starts to cover my bills. It's ridiculous and not right. I'm used to just paying a co-pay and everything else is covered, but when I started at Volkswagen all that changed and I started paying a lot out of my pocket. Yea I make more money here, but when you add in what I pay in for medical, I make less than I did at my last jobs."

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By depriving its U.S. workforce of the health care and workplace safety standards VW provides to foreign workers in other countries, VW has created a second class of workers in the American South. The survey data revealed that poor quality health care is so unaffordable at VW that more than 1 in 10 VW workers opt out of VW health care altogether, with some sharing it is due to cost.

Many Volkswagen workers pointed out that Volkswagen falls far short of offering health care standards provided by their competitors, despite their massive profits.

VW's Increasingly Expensive Health Care Plans

Up until 2024, VW offered two plans. The first is a PPO Plan like that in UAW contracts at the Big Three, but with a much higher cost associated with it in the form of deductibles, coinsurance and premium sharing. The second is a High Deductible Health Plan. Both health care options are so expensive they are beyond the reach of many VW workers, and PPO costs are rapidly increasing.

Without a union contract, the company has the latitude to increase the plan design cost, and the premiums employees pay to hold these plans - and they have done just that. The PPO Plan Design has increased from a deductible of $450 Single and $900 Family in 2021 to $650 Single and $1,300 Family in 2024. VW also increased the out-of-pocket maximum from $2,500 Single and $5,000 Family in 2021 to $3,200 Single and $6,400 Family in 2024.

During that same period, the company increased employee premium share by 18%. Although the HDHP reduces monthly premium costs, it shifts significant financial risk onto workers, making it unaffordable for many to access care when needed.

In contrast, UAW members like those at General Motors' Spring Hill Manufacturing plant pay no premiums for the family plan, have no deductible, and have limited co-pays with a maximum of $25. They receive some of the most comprehensive health care coverage in the country. These benefits are protected by the terms of the union contract, which prevents any increases for the duration of the agreement.

Volkswagen's Record Profits

Volkswagen's recent earnings numbers make one thing clear: the company is doing well and has plenty of resources at its disposal to offer industry standard health care coverage. Over the past four years, VW has generated $92.4 billion in operating profit—a 38% increase since 2021. Even after accounting for inflation, that's a strong showing.

In 2024 alone, the company brought in $351 billion in revenue, its highest in decades. And while operating profit dipped to $20.6 billion last year, VW still returned $7.5 billion to shareholders through dividends and stock buybacks. Over the past four years, total shareholder distributions reached $29.9 billion, demonstrating Volkswagen's ability—and willingness—to generously lavish investors with the profits produced by workers. Given Volkswagen's financial strength, there's little doubt the company can afford to meet its U.S. workers' reasonable demands. After all, VW had no issue paying out billions to shareholders or compensating its CEO $11.2 million last year.

Despite its strong earnings report, Volkswagen significantly lags behind industry standards in the U.S. for health care benefits within the automotive sector—a fact repeatedly noted by survey respondents, who pointed out that VW's health benefits are far less generous than those offered not only by the Big Three automakers—Ford, Stellantis, and GM—but also by their southern subsidiary projects, such as Ultium Cells in Spring Hill, TN. UAW members at all of these employers pay no premiums, no deductibles, and have only limited co-pays with a capped maximum. This is the union standard, even among less profitable U.S. automakers—so why can't the world's #2 automaker, which claims to espouse union values, meet those standards?

Conclusion

Volkswagen's strategy of shifting health care costs onto its U.S. workforce and Tennessee taxpayers has helped boost its profits, but at a devastating cost to its employees. By pushing workers toward inferior, high-risk plans and steadily raising the costs of PPO coverage, VW has created a system that fosters financial distress, unmet medical needs, and even bankruptcy.

Since launching their campaign for a first contract last fall, workers at Volkswagen have been demanding the same labor protections, safe working conditions, and excellent benefits available to its workforce at other plants. Nearly 100% of respondents agree that VW should follow the model of other unionized auto manufacturers and provide the same standards to American workers as their competitors do.

VW's Chattanooga workforce is demanding parity with their unionized peers in the industry. With the company enjoying unprecedented financial success, workers argue there is no justification for being treated as second-class employees. The time has come for Volkswagen to meet the industry standard—and provide American workers with the health care, safety, and respect they deserve.

Methodology

The online survey of 1,789 workers at the Volkswagen Chattanooga was conducted from January 23 to March 17, 2025 and included participants across all departments (Assembly, Body, Paint, Logistics, QA, and Battery) and shifts (1st, 2nd, 3rd).