

## Divided We Fail Key Findings in Alaska

Health care costs are skyrocketing and retirement savings are inadequate. The American people have said that these issues are top domestic priorities.<sup>1</sup>

### **AMERICANS NEED AFFORDABLE, QUALITY HEALTH CARE**

#### **Too many people in Alaska are uninsured.**

- In 2005, 17 percent of people in Alaska did not have health insurance.
  - 23 percent of those ages 19-64 were uninsured.
  - 9 percent of children were uninsured.
  - 16 percent of Whites and 20 percent of Others were uninsured. In Alaska, Other refers primarily to American Indian and Alaska Native.<sup>2</sup>

#### **Health care costs too much.**

- Between 1991 and 2004, personal health care expenditures in Alaska grew an average of 8.4 percent per year.<sup>3</sup>
- The average total single premium rose from \$2,931 in 1997 to \$4,011 in 2003 for employees enrolled at private firms in Alaska that offered health coverage. This was an increase of 37 percent in inflation-adjusted dollars.<sup>4</sup>
- The average employee contribution for health insurance in Alaska rose from \$278 per year in 1997 to \$433 per year in 2003.<sup>5</sup>
- Over the last seven years, the average national manufacturers' price of 153 common drugs increased almost 54 percent, more than 2½ times the rate of inflation.<sup>6</sup>

#### **AARP Members in Alaska are concerned about health care costs.**

- In 2006, 63 percent of AARP members in Alaska are extremely or very concerned about being able to afford health insurance.<sup>7</sup>
- 66 percent of AARP members living in Alaska in 2006 said they were extremely or very concerned about being able to afford the cost of prescription drugs.<sup>8</sup>
- In 2006, 60 percent of AARP members in Alaska reported being either extremely or very concerned about having high quality long-term care for themselves or family members. 62 percent were extremely or very concerned about having long-term care services that will allow them to stay in their home for as long as possible<sup>9</sup>

#### **Americans overall are concerned about health care costs.**

- In 2006, 80 percent of Americans were dissatisfied with the total cost of health care in this country, including 58 percent who were very dissatisfied.<sup>10</sup>
- In 2006, 68 percent of Americans believed that providing health care for all Americans was more important than holding down taxes.<sup>11</sup>

## **AMERICANS NEED LIFETIME FINANCIAL SECURITY**

### **Social Security is vital to the well-being of people in Alaska.**

- In 2003, nearly one out of ten Alaska residents (9%) received Social Security.
  - Roughly three out of five (58%) beneficiaries were retirees.
  - More than two out of five (42%) beneficiaries were widows or widowers, workers with disabilities, wives or husbands of workers, or children.<sup>12</sup>
- In 2000, Social Security constituted at least 50% of the total income of nearly one-third of Alaska residents age 65+ (31%).<sup>13</sup>
- In 2000, nearly one out of fifteen people (6%) in Alaska age 65 or older relied on Social Security as their only source of income.<sup>14</sup>
- On average, one-third (32%) of Alaska residents age 65 or older would have lived below the poverty line in 2000 through 2002 if they had not received Social Security.<sup>15</sup>

### **AARP Members in Alaska are concerned about having a secure retirement.**

- In 2006, 72 percent of AARP members in Alaska reported being extremely or very concerned about assuring the safety of their pension benefits and retirement savings. In addition, 62 percent stated they were extremely or very concerned about having Social Security as a base for retirement income.<sup>16</sup>

### **Americans overall are concerned about having a secure retirement.**

- 68 percent of American workers say they are not too or not at all confident that Social Security will continue to provide benefits of at least equal value to the benefits retirees receive today.<sup>17</sup>
- 48 percent of Americans say they are not too or not at all confident that they will have enough money to live comfortably throughout their retirement years.<sup>18</sup>
- 78 percent of Americans say they strongly or somewhat favor automatic enrollment in 401(k)s and having employers set up employee contributions through payroll deduction unless the employee chooses not to participate.<sup>19</sup>
- 79 percent of Americans agree that employers who do not offer some type of retirement plan should be required to offer workers the option of regularly saving a part of their paycheck in a personal individual retirement account or IRA, even if the employer does not contribute to that account.<sup>20</sup>

### **Americans have not saved enough to retire.**

- Only 25 percent of American workers are very confident of achieving a comfortable lifestyle in retirement.<sup>21</sup>
- Only one out of four (25%) baby boomers say they are very prepared for retirement.<sup>22</sup>
- Just 43 percent of workers have actually tried to figure out how much money they will need to save in order to live comfortably in retirement.<sup>23</sup>

- <sup>1</sup> AP/AOL Poll (2007, January 19). Retrieved February 6, 2008, from <http://surveys.ap.org/data/Ipsos/national/2007-01-19%20AP-AOL%20State%20of%20the%20Union%20topline.pdf>.
- <sup>2</sup> *Alaska: Health Insurance Coverage, States (2005-2006)*. (2007). Retrieved February 6, 2008 from <http://www.statehealthfacts.org/profilecat.jsp?rgn=51&cat=3>.
- <sup>3</sup> U.S. Department of Health and Human Services Centers for Medicare & Medicaid Services (2007) *Health Expenditures by State of Residence: Summary Tables, 1991-2004*. Retrieved February 6, 2008 from <http://www.cms.hhs.gov/NationalHealthExpendData/downloads/res-us.pdf>.
- <sup>4</sup> *Shifting Ground: Changes in Employer-Sponsored Health Insurance*. (May 2006). Retrieved February 6, 2008 from <http://covertheuninsured.org/media/research/ShiftingGround0506.pdf>.
- <sup>5</sup> Ibid.
- <sup>6</sup> Gross, D. J., Gross Purvis, L., and Schondelmeyer, S.W. (2007). *Trends In Manufacturer Prices Of Brand-Name Prescription Drugs Used By Older Americans—2006: Year-End Update March 2007*. Retrieved February 6, 2008 from [http://assets.aarp.org/rgcenter/health/dd154\\_drugprices.pdf](http://assets.aarp.org/rgcenter/health/dd154_drugprices.pdf).
- <sup>7</sup> Dinger, E. (2006). *Alaska Issues and Concerns: A Survey of AARP Members*. Retrieved February 6, 2008 from [http://assets.aarp.org/rgcenter/general/ak\\_member\\_2006.pdf](http://assets.aarp.org/rgcenter/general/ak_member_2006.pdf).
- <sup>8</sup> Ibid.
- <sup>9</sup> Ibid.
- <sup>10</sup> ABC News/Kaiser Family Foundation/USA Today (2006). *Health Care in America 2006 Survey*. Retrieved February 6, 2008 from <http://www.kff.org/kaiserpolls/7572.cfm>
- <sup>11</sup> Ibid.
- <sup>12</sup> AARP (2005). *Social Security: Alaska Quick Facts*. Retrieved February 6, 2008 from [http://www.aarp.org/research/socialsecurity/general/ss\\_facts\\_05.html](http://www.aarp.org/research/socialsecurity/general/ss_facts_05.html).
- <sup>13</sup> Ibid.
- <sup>14</sup> Ibid.
- <sup>15</sup> Ibid.
- <sup>16</sup> Dinger, E. (2006). *Alaska Issues and Concerns: A Survey of AARP Members*. Retrieved February 6, 2008 from [http://assets.aarp.org/rgcenter/general/ak\\_member\\_2006.pdf](http://assets.aarp.org/rgcenter/general/ak_member_2006.pdf)
- <sup>17</sup> Helman, R., VanDerhei, J., and Copeland, C. (2007). 2007 Retirement Confidence Survey. *EBRI Employee Benefit Research Institute Issue Brief*, No. 304, April 2007. Retrieved February 6, 2008 from [http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_04a-20079.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_04a-20079.pdf).
- <sup>18</sup> Wright, W. and Davies, C. (2007). *Retirement Security Survey*. Retrieved February 6, 2008 from [http://assets.aarp.org/rgcenter/econ/retirement\\_security.pdf](http://assets.aarp.org/rgcenter/econ/retirement_security.pdf).
- <sup>19</sup> Ibid.
- <sup>20</sup> Ibid.
- <sup>21</sup> Transamerica Retirement Services (2007). *8<sup>th</sup> Annual Transamerica Retirement Survey*. Retrieved February 6, 2008 from <http://www.transamericacenter.org/resources/8th%20Annual%20Transamerica%20Retirement%20Survey%202007%20.pdf>
- <sup>22</sup> Allstate (2006). *Sixth Annual Allstate "Retirement Reality Check" Mini Executive Summary (Financial Independence)*. Retrieved February 6, 2008 from <http://media.allstate.com/documents/18;download?src=L2NhdGVnb3JpZXMvNi9yZWxlYXNlcy8zOTMy%0A>
- <sup>23</sup> Helman, R., VanDerhei, J., and Copeland, C. (2007). 2007 Retirement Confidence Survey. *EBRI Employee Benefit Research Institute Issue Brief*, No. 304, April 2007. Retrieved February 6, 2008 from [http://www.ebri.org/pdf/briefspdf/EBRI\\_IB\\_04a-20079.pdf](http://www.ebri.org/pdf/briefspdf/EBRI_IB_04a-20079.pdf)

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*It's time we ensure health and long-term financial security for all. That's why AARP is leading Divided We Fail, an initiative to give voice to millions of Americans who are tired of letting Washington gridlock stand in the way of affordable, quality health care and long-term financial security. Go to [www.dividedwefail.org](http://www.dividedwefail.org) to learn more.*

AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. We produce AARP The Magazine, published bimonthly; AARP Bulletin, our monthly newspaper; AARP Segunda Juventud, our bimonthly magazine in Spanish and English; NRTA Live & Learn, our quarterly newsletter for 50+ educators; and our website, [www.aarp.org](http://www.aarp.org). AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

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