

## Divided We Fail Key Findings in Arizona

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 Arizona are uninsured.**

- In 2005, 20 percent of people in Arizona did not have health insurance.
  - 25 percent of those ages 19-64 were uninsured.
  - 17 percent of children were uninsured.
  - 37 percent Hispanics, 28 percent of Other, and 13 percent of Whites were uninsured. In Arizona, Other refers primarily to American Indian.<sup>2</sup>

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

- Between 1991 and 2004, personal health care expenditures in Arizona grew an average of 7.7 percent per year.<sup>3</sup>
- The average total single premium rose from \$2,428 in 1998 to \$3,209 in 2003 for employees enrolled at private firms in Arizona that offered health coverage. This was an increase of 32 percent in inflation-adjusted dollars.<sup>4</sup>
- The average employee contribution for health insurance in Arizona rose from \$483 per year in 1998 to \$562 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>

#### **People in Arizona are concerned about health care costs.**

- In 2004, 46 percent of registered voters age 50 and older in Arizona considered health care to be one of the top three most important domestic issues that they wanted to see addressed by presidential candidates.<sup>7</sup>
- A full 10 percent of registered voters 50 and older living in Arizona considered Medicare/Medicaid premium increases to be one of the most important domestic issues that they wanted to see presidential candidates address in 2004.<sup>8</sup>

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

- 54 percent of Americans without health care coverage in 2006 said that the main reason they did not have health coverage was that it was too expensive.<sup>9</sup>
- In 2006, 68 percent of Americans said they believed that providing health care for all Americans was more important than holding down taxes.<sup>10</sup>
- In 2005, 23 percent of adults reported problems paying medical bills within the prior year, and more than six in ten of these (61%) had health insurance.<sup>11</sup>
- 28 percent of adults in 2005 reported a time in the prior year when they did not have enough money to pay for medical or health care.<sup>12</sup>

## **AMERICANS NEED LIFETIME FINANCIAL SECURITY**

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

- In 2003, one out of six Arizona residents (16%) received Social Security.
  - Two out of three (65%) beneficiaries were retirees.
  - More than one out of three (35%) beneficiaries were widows or widowers, workers with disabilities, wives or husbands of workers, or children.<sup>13</sup>
- In 2000, Social Security constituted at least 50% of the total income of one-half of Arizona residents age 65+ (49%).<sup>14</sup>
- In 2000, roughly one out of four people (23%) in Arizona age 65 or older relied on Social Security as their only source of income.<sup>15</sup>
- On average, more than two out of five (43%) Arizona residents age 65 or older would have lived below the poverty line in 2000 through 2002 if they had not received Social Security.<sup>16</sup>

### **People in Arizona are concerned about having a secure retirement.**

- In 2004, 16 percent of registered voters 50+ in Arizona considered Social Security to be one of the most important domestic issues that they wanted to see addressed by presidential candidates.<sup>17</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>18</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>19</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>20</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>21</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>22</sup>
- Only one out of four (25%) baby boomers say they are very prepared for retirement.<sup>23</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>24</sup>

- <sup>1</sup> AP/AOL Poll (2007, January 19). Retrieved February 6, 2008, from <http://surveys.ap.org/data/lpsos/national/2007-01-19%20AP-AOL%20State%20of%20the%20Union%20topline.pdf>.
- <sup>2</sup> *Arizona: Health Insurance Coverage, States (2005-2006)*. (2007). Retrieved February 6, 2008 from <http://www.statehealthfacts.org/profilecat.jsp?rgn=4&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> Davies, C. (2004). *AARP Pre-Debate Arizona and National Survey Presidential Debate*. Retrieved February 6, 2008 from [http://assets.aarp.org/rgcenter/general/debatewatch\\_2004\\_az.pdf](http://assets.aarp.org/rgcenter/general/debatewatch_2004_az.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/upload/7572.pdf>.
- <sup>11</sup> Kaiser Public Opinion Spotlight December 2005. The Public on Health Care Costs, Kaiser Family Foundation, 2005.
- <sup>12</sup> Ibid.
- <sup>13</sup> AARP (2005). *Social Security: Arizona 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>14</sup> Ibid.
- <sup>15</sup> Ibid.
- <sup>16</sup> Ibid.
- <sup>17</sup> Davies, C. (2004). *AARP Pre-Debate Arizona and National Survey Presidential Debate*. Retrieved February 6, 2008 from [http://assets.aarp.org/rgcenter/general/debatewatch\\_2004\\_az.pdf](http://assets.aarp.org/rgcenter/general/debatewatch_2004_az.pdf).
- <sup>18</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>19</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>20</sup> Ibid.
- <sup>21</sup> Ibid.
- <sup>22</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>23</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>24</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.

**For more information please contact Jennifer H. Sauer at (202) 434-6207.**