

## Divided We Fail Key Findings in Delaware

Health care costs are skyrocketing and retirement savings are inadequate. The American people have said that these issues are top domestic priorities, and they want answers and action from our elected officials now.<sup>1</sup>

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

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

- In 2005, 12 percent of people in Delaware did not have health insurance.
  - 15 percent of those ages 19-64 were uninsured.
  - 12 percent of children were uninsured.
  - 14 percent of African Americans under age 65 and 38 percent of Hispanics under age 65 were uninsured compared to 11 percent of Whites under age 65 who were uninsured.<sup>2</sup>

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

- Between 1991 and 2004, personal health care expenditures in Delaware grew an average of 8.0 percent per year.<sup>3</sup>
- The average total single premium rose from \$2,525 in 1998 to \$3,854 in 2003 for employees enrolled at private firms in Delaware that offered health coverage. This was an increase of 53 percent in inflation-adjusted dollars.<sup>4</sup>
- The average employee contribution for health insurance in Delaware rose from \$369 per year in 1998 to \$709 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>

#### **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>7</sup>
- 39 percent of adults consider health care costs the most important health problem for the government to address.<sup>8</sup>
- In 2006, 68 percent of Americans believed that providing health care for all Americans was more important than holding down taxes.<sup>9</sup>
- In 2005, 28 percent of adults reported a time in the prior year when they did not have enough money to pay for medical or health care.<sup>10</sup>
- In 2005, 23 percent of adults reported problems paying medical bills in the prior year, and more than three out of five of these (61%) had health insurance.<sup>11</sup>

## **AMERICANS NEED LIFETIME FINANCIAL SECURITY**

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

- In 2003, one out of six Delaware residents (17%) 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>12</sup>
- In 2000, Social Security constituted at least 50% of the total income of one-half of Delaware residents age 65+ (50%).<sup>13</sup>
- In 2000, one out of five people (21%) in Delaware age 65 or older relied on Social Security as their only source of income.<sup>14</sup>
- On average, two out of five (41%) Delaware 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>

### **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>16</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>17</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>18</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>19</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>20</sup>
- Only one out of four (25%) baby boomers say they are very prepared for retirement.<sup>21</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>22</sup>

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- <sup>1</sup> AP/AOL Poll (2007, January 19). Retrieved January 31, 2008, from <http://surveys.ap.org/data/lpsos/national/2007-01-19%20AP-AOL%20State%20of%20the%20Union%20topline.pdf>.
  - <sup>2</sup> Delaware: *Health Insurance Coverage, States (2005-2006)*. (2007). Retrieved January 31, 2008 from <http://www.statehealthfacts.org/profilecat.jsp?rgn=9&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 January 31, 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 January 31, 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 January 31, 2008 from [http://assets.aarp.org/rgcenter/health/dd154\\_drugprices.pdf](http://assets.aarp.org/rgcenter/health/dd154_drugprices.pdf).
  - <sup>7</sup> ABC News/Kaiser Family Foundation/USA Today (2006). *Health Care in America 2006 Survey*. Retrieved January 31, 2008 from <http://www.kff.org/kaiserpolls/upload/7572.pdf>.
  - <sup>8</sup> The Henry J. Kaiser Family Foundation (2005). *Kaiser Public Opinion Spotlight*. Retrieved January 31, 2008 from [http://www.kff.org/spotlight/healthcosts/upload/Spotlight\\_Dec05\\_healthcosts.pdf](http://www.kff.org/spotlight/healthcosts/upload/Spotlight_Dec05_healthcosts.pdf).
  - <sup>9</sup> ABC News/Kaiser Family Foundation/USA Today (2006). *Health Care in America 2006 Survey*. Retrieved January 31, 2008 from <http://www.kff.org/kaiserpolls/upload/7572.pdf>.
  - <sup>10</sup> The Henry J. Kaiser Family Foundation (2005). *Kaiser Public Opinion Spotlight*. Retrieved January 31, 2008 from [http://www.kff.org/spotlight/healthcosts/upload/Spotlight\\_Dec05\\_healthcosts.pdf](http://www.kff.org/spotlight/healthcosts/upload/Spotlight_Dec05_healthcosts.pdf).
  - <sup>11</sup> Ibid.
  - <sup>12</sup> AARP (2005). *Social Security: Delaware Quick Facts*. Retrieved January 31, 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> Helman, R., VanDerhei, J., and Copeland, C. (2007). 2007 Retirement Confidence Survey. *EBRI Employee Benefit Research Institute Issue Brief*, No. 304, April 2007. Retrieved January 31, 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>17</sup> Wright, W. and Davies, C. (2007). *Retirement Security Survey*. Retrieved January 31, 2008 from [http://assets.aarp.org/rgcenter/econ/retirement\\_security.pdf](http://assets.aarp.org/rgcenter/econ/retirement_security.pdf).
  - <sup>18</sup> Ibid.
  - <sup>19</sup> Ibid.
  - <sup>20</sup> Transamerica Retirement Services (2007). *8<sup>th</sup> Annual Transamerica Retirement Survey*. Retrieved January 31, 2008 from <http://www.transamericacenter.org/resources/8th%20Annual%20Transamerica%20Retirement%20Survey%202007%20.pdf>
  - <sup>21</sup> Allstate (2006). *Sixth Annual Allstate "Retirement Reality Check" Mini Executive Summary (Financial Independence)*. Retrieved January 31, 2008 from <http://media.allstate.com/documents/18;download?src=L2NhdGVnb3JpZXMvNi9yZWxlYXNlcy8zOTMy%0A>
  - <sup>22</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 January 31, 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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