

Divided We Fail Key Findings in Puerto Rico

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.¹

AMERICANS NEED AFFORDABLE, QUALITY HEALTH CARE

Too many people are uninsured.

- In 2006, 8 percent of people in Puerto Rico did not have health insurance.²
- 16 percent of people in the United States did not have health insurance in 2006.
 - 20 percent of those ages 19-64 were uninsured.
 - 12 percent of children were uninsured.
 - 20 percent of males and 16 percent of females were uninsured.³

Health care costs too much.

- Between 1991 and 2004, personal health care expenditures in the United States grew an average of 6.7 percent per year.⁴
- The average total single premium rose from \$2,454 in 2000 to \$3,481 in 2003 for employees enrolled at private firms in the United States that offered health coverage. This was an increase of 42 percent in inflation-adjusted dollars.⁵
- The average employee contribution for health insurance in the United States rose from \$432 per year in 2000 to \$606 per year in 2003.⁶
- 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.⁷

People in Puerto Rico are concerned about health care costs.

- 72 percent of Puerto Ricans in 2006 were at least somewhat concerned about being able to afford prescription drugs in the next two years.⁸
- In 2006, 72 percent of Puerto Ricans believed that it was extremely important for the Island government to make prescription drugs more affordable.⁹

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.¹⁰
- 39 percent of adults consider health care costs the most important health problem for the government to address.¹¹
- In 2006, 68 percent of Americans believed that providing health care for all Americans was more important than holding down taxes.¹²
- 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.¹³
- 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.¹⁴

AMERICANS NEED LIFETIME FINANCIAL SECURITY

Social Security is vital to the well-being of people in Puerto Rico.

- In 2003, nearly one out of five (18%) Puerto Ricans received Social Security.
 - Less than one-half (46%) of beneficiaries were retirees.
 - More than one-half (54%) of beneficiaries were widows or widowers, workers with disabilities, wives or husbands of workers, or children.¹⁵
- In 2000, Social Security constituted at least 50% of the total income of two-thirds of Puerto Ricans age 65+ (67%).¹⁶
- In 2000, nearly one-half (46%) of Puerto Ricans age 65 or older relied on Social Security as their only source of income.¹⁷
- In the U.S., nearly one-half (47%) of the older population would be living in poverty if they were not receiving Social Security. In Puerto Rico, the number of older adults lifted from poverty is likely to be even greater given the poverty level for the Island is even lower than that in the U.S. and there is a higher percentage of residents who rely on it as their only source of income.¹⁸

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.¹⁹
- 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.²⁰
- 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.²¹
- 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.²²

Americans have not saved enough to retire.

- Only 25 percent of American workers are very confident of achieving a comfortable lifestyle in retirement.²³
- Only one out of four (25%) baby boomers say they are very prepared for retirement.²⁴
- 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.²⁵

- ¹ AP/AOL Poll (2007, January 19). Retrieved January 31, 2008, from <http://surveys.ap.org/data/ipsos/national/2007-01-19%20AP-AOL%20State%20of%20the%20Union%20topline.pdf>.
- ² Centers for Disease Control and Prevention (CDC) (2006). *Behavioral Risk Factor Surveillance System Survey Data*. Retrieved January 31, 2008 from <http://apps.nccd.cdc.gov/brfss/display.asp?cat=HC&yr=2006&qkey=868&state=PR>.
- ³ *United States: Health Insurance Coverage, States (2005-2006)*. (2007). Retrieved January 31, 2008 from <http://www.statehealthfacts.org/profilecat.jsp?rgn=51&cat=3>.
- ⁴ 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>.
- ⁵ *Shifting Ground: Changes in Employer-Sponsored Health Insurance*. (May 2006). Retrieved January 31, 2008 from <http://covertheuninsured.org/media/research/ShiftingGround0506.pdf>.
- ⁶ Ibid.
- ⁷ 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 15, 2008 from http://assets.aarp.org/rgcenter/health/dd154_drugprices.pdf.
- ⁸ Bridges, K. and Burton, C. (2005). *2005 AARP Puerto Rico Social Impact Survey: Prescription Drugs*. Retrieved January 31, 2008 from http://assets.aarp.org/rgcenter/health/pr_rx_05.pdf.
- ⁹ Ibid.
- ¹⁰ 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>.
- ¹¹ 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.
- ¹² 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>.
- ¹³ 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.
- ¹⁴ Ibid.
- ¹⁵ AARP (2005). *Social Security: Puerto Rico Quick Facts*. Retrieved January 31, 2008 from http://www.aarp.org/research/socialsecurity/general/ss_facts_05.html.
- ¹⁶ Ibid.
- ¹⁷ Ibid.
- ¹⁸ Ibid.
- ¹⁹ 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.
- ²⁰ Wright, W. and Davies, C. (2007). *Retirement Security Survey*. Retrieved January 31, 2008 from http://assets.aarp.org/rgcenter/econ/retirement_security.pdf.
- ²¹ Ibid.
- ²² Ibid.
- ²³ Transamerica Retirement Services (2007). *8th Annual Transamerica Retirement Survey*. Retrieved January 31, 2008 from <http://www.transamericacenter.org/resources/8th%20Annual%20Transamerica%20Retirement%20Survey%202007%20.pdf>
- ²⁴ 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>
- ²⁵ 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

*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 to learn more.*

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