

Divided We Fail Key Findings in Tennessee

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 in Tennessee are uninsured.

- In 2005, 14 percent of people in Tennessee did not have health insurance.
 - 19 percent of those ages 19-64 were uninsured.
 - 8 percent of children were uninsured.
 - 19 percent of African Americans and 54 percent of Hispanics under age 65 were uninsured compared to 13 percent of Whites under age 65.²

Health care costs too much.

- Between 1991 and 2004, personal health care expenditures in Tennessee grew an average of 7.4 percent per year.³
- The average total single premium rose from \$2,249 in 1998 to \$3,597 in 2003 for employees enrolled at private firms in Tennessee that offered health coverage. This was an increase of 60 percent in inflation-adjusted dollars.⁴
- The average employee contribution for health insurance in Tennessee rose from \$405 per year in 1998 to \$759 per year in 2003.⁵
- 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.⁶

People in Tennessee are concerned about health care costs.

- In 2006, 94 percent of Tennessee AARP members considered guaranteeing affordable health care coverage for all a very or somewhat important issue in their decision about which U.S. Congressional/Senate candidates to vote for in upcoming elections.⁷
- Also, 97 percent of Tennessee AARP members considered making prescription drugs more affordable a very or somewhat important issue in their decision about which U.S. Congressional/Senate candidates to vote for in upcoming elections.⁸
- 89 percent of Tennessee AARP members strongly or somewhat supported allowing Medicare to use its bargaining power to negotiate lower prices for prescription drugs in 2006.⁹

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
- In 2006, 68 percent of Americans believed that providing health care for all Americans was more important than holding down taxes.¹¹

AMERICANS NEED LIFETIME FINANCIAL SECURITY

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

- In 2003, nearly one out of five Tennessee residents (18%) 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.¹²
- In 2000, Social Security constituted at least 50% of the total income of more than one-half of Tennessee residents age 65+ (55%).¹³
- In 2000, more than one out of four people (27%) in Tennessee age 65 or older relied on Social Security as their only source of income.¹⁴
- On average, more than one-half (55%) of Tennessee residents age 65 or older would have lived below the poverty line in 2000 through 2002 if they had not received Social Security.¹⁵

People in Tennessee are concerned about having a secure retirement.

- In 2006, 97 percent of Tennessee AARP members considered ensuring a balanced Social Security plan to provide guaranteed benefits for future generations a very or somewhat important issue in their decision about which U.S. Congressional/Senate candidates to vote for in upcoming elections.¹⁶
- 63 percent of AARP members in Tennessee strongly or somewhat supported requiring employers to provide workers with automatic payroll deductions so that they could open personal IRAs in 2006.¹⁷

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.¹⁸
- 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.¹⁹
- 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.²⁰
- 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.²¹

Americans have not saved enough to retire.

- Only 25 percent of American workers are very confident of achieving a comfortable lifestyle in retirement.²²
- Only one out of four (25%) baby boomers say they are very prepared for retirement.²³
- 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.²⁴

- ¹ AP/AOL Poll (2007, January 19). Retrieved January 25, 2008, from <http://surveys.ap.org/data/lpsos/national/2007-01-19%20AP-AOL%20State%20of%20the%20Union%20topline.pdf>.
- ² Tennessee: *Health Insurance Coverage, States (2005-2006)*. (2007). Retrieved January 25, 2008 from <http://www.statehealthfacts.org/profilecat.jsp?rgn=44&cat=3>.
- ³ 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 25, 2008 from <http://www.cms.hhs.gov/NationalHealthExpendData/downloads/res-us.pdf>.
- ⁴ *Shifting Ground: Changes in Employer-Sponsored Health Insurance*. (May 2006). Retrieved January 25, 2008 from <http://covertheuninsured.org/media/research/ShiftingGround0506.pdf>.
- ⁵ Ibid.
- ⁶ 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 25, 2008 from http://assets.aarp.org/rgcenter/health/dd154_drugprices.pdf.
- ⁷ Guengerich, T. (2006). *Common Ground for America's Future: The Opinions of AARP Members in Tennessee About Election Issues in 2006*. Retrieved January 25, 2008 from http://assets.aarp.org/rgcenter/general/tn_election_2006.pdf.
- ⁸ Ibid.
- ⁹ Ibid.
- ¹⁰ ABC News/Kaiser Family Foundation/USA Today (2006). *Health Care in America 2006 Survey*. Retrieved January 25, 2008 from <http://www.kff.org/kaiserpolls/upload/7572.pdf>.
- ¹¹ Ibid.
- ¹² AARP (2005). *Social Security: Tennessee Quick Facts*. Retrieved January 31, 2008 from http://www.aarp.org/research/socialsecurity/general/ss_facts_05.html.
- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ Ibid.
- ¹⁶ Guengerich, T. (2006). *Common Ground for America's Future: The Opinions of AARP Members in Tennessee About Election Issues in 2006*. Retrieved January 25, 2008 from http://assets.aarp.org/rgcenter/general/tn_election_2006.pdf.
- ¹⁷ Ibid.
- ¹⁸ 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 25, 2008 from http://www.ebri.org/pdf/briefspdf/EBRI_IB_04a-20079.pdf.
- ¹⁹ Wright, W. and Davies, C. (2007). *Retirement Security Survey*. Retrieved January 25, 2008 from http://assets.aarp.org/rgcenter/econ/retirement_security.pdf.
- ²⁰ Ibid.
- ²¹ Ibid.
- ²² Transamerica Retirement Services (2007). *8th Annual Transamerica Retirement Survey*. Retrieved January 25, 2008 from <http://www.transamericacenter.org/resources/8th%20Annual%20Transamerica%20Retirement%20Survey%202007%20.pdf>
- ²³ Allstate (2006). *Sixth Annual Allstate "Retirement Reality Check" Mini Executive Summary (Financial Independence)*. Retrieved January 25, 2008 from <http://media.allstate.com/documents/18;download?src=L2NhdGVnb3JpZXMvNi9yZWxIYXNlcy8zOTMy%0A>
- ²⁴ 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 25, 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.

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. 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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