Why Social Security and Medicare Are Vital to Older Americans in Alabama

Social Security and Medicare provide income and health security to older Americans aged 65 and older. Growing debt burdens, dwindling pensions, and increasing health care costs make these programs more important than ever. Here's what they do for Alabama.

Social Security in Alabama

Older Alabamians count on Social Security benefits earned through a lifetime of work
- A total of 93 percent, or 647,359, of older Alabama residents received Social Security in 2012. The average annual benefit was $14,500.
- Social Security accounted for 57 percent of the typical older Alabamian’s family income.
- Low- and middle-income older adults in Alabama are even more reliant on Social Security’s earned benefit, typically receiving 88 percent of their family income from Social Security.

Social Security keeps middle-income older Alabamians from falling into poverty
- Census data show about 9 percent, or 58,534, of older Alabamians living in poverty.
- Without Social Security income, an additional 40 percent of older Alabamians, or 261,555 people, would fall into poverty.

Social Security plays an important role in Alabama’s economy
- Social Security provided $13.8 billion in benefits to all Alabamians and $9.3 billion in benefits to Alabamians aged 65 and older in 2012.

Medicare in Alabama

Medicare provides guaranteed health coverage, but out-of-pocket costs are high
- On average, Alabama’s Medicare beneficiaries spent an estimated $4,233 on out-of-pocket health care costs in 2012.
- In 2012, older Alabama adults enrolled in Medicare spent, on average, an estimated 15 percent of their income on out-of-pocket health care costs.

Medicare provides peace of mind for older Alabamians
- Nearly 98 percent of older Alabamians were enrolled in Medicare in 2011.

Medicare plays an important role in Alabama’s economy
- The Medicare program spent an estimated $5.9 billion on health care services for 674,411 older Alabamians in 2012.