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

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 California.

Social Security in California

Older Californians count on Social Security benefits earned through a lifetime of work
- A total of 84 percent, or 3,839,895, of older California residents received Social Security in 2012. The average annual benefit was $14,700.
- Social Security accounted for 36 percent of the typical older Californian’s family income.
- Low- and middle-income older adults in California are even more reliant on Social Security’s earned benefit, typically receiving 64 percent of their family income from Social Security.

Social Security keeps middle-income older Californians from falling into poverty
- Census data show about 9 percent, or 363,670, of older Californians living in poverty.
- Without Social Security income, an additional 29 percent of older Californians, or 1,246,325 people, would fall into poverty.

Social Security plays an important role in California’s economy
- Social Security provided $71.7 billion in benefits to all Californians and $55.5 billion in benefits to Californians aged 65 and older in 2012.

Medicare in California

Medicare provides guaranteed health coverage, but out-of-pocket costs are high
- On average, California’s Medicare beneficiaries spent an estimated $4,982 on out-of-pocket health care costs in 2012.
- In 2012, older California adults enrolled in Medicare spent, on average, an estimated 14 percent of their income on out-of-pocket health care costs.

Medicare provides peace of mind for older Californians
- Nearly 95 percent of older Californians were enrolled in Medicare in 2011.

Medicare plays an important role in California’s economy
- The Medicare program spent an estimated $45.2 billion on health care services for 4,394,062 older Californians in 2012.