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

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 Iowa.

Social Security in Iowa

Older Iowans count on Social Security benefits earned through a lifetime of work
- A total of 95 percent, or 445,043, of older Iowa residents received Social Security in 2012. The average annual benefit was $14,900.
- Social Security accounted for 56 percent of the typical older Iowan’s family income.
- Low- and middle-income older adults in Iowa are even more reliant on Social Security’s earned benefit, typically receiving 80 percent of their family income from Social Security.

Social Security keeps middle-income older Iowans from falling into poverty
- Census data show about 6 percent, or 21,210, of older Iowans living in poverty.
- Without Social Security income, an additional 42 percent of older Iowans, or 156,925 people, would fall into poverty.

Social Security plays an important role in Iowa’s economy
- Social Security provided $8.3 billion in benefits to all Iowans and $6.5 billion in benefits to Iowans aged 65 and older in 2012.

Medicare in Iowa

Medicare provides guaranteed health coverage, but out-of-pocket costs are high
- On average, Iowa’s Medicare beneficiaries spent an estimated $3,997 on out-of-pocket health care costs in 2012.
- In 2012, older Iowa adults enrolled in Medicare spent, on average, an estimated 12 percent of their income on out-of-pocket health care costs.

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

Medicare plays an important role in Iowa’s economy
- The Medicare program spent an estimated $3.8 billion on health care services for 462,313 older Iowans in 2012.