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

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 Minnesota.

Social Security in Minnesota

Older Minnesotans count on Social Security benefits earned through a lifetime of work
- A total of 93 percent, or 678,095, of older Minnesota residents received Social Security in 2012. The average annual benefit was $15,300.
- Social Security accounted for 53 percent of the typical older Minnesotan’s family income.
- Low- and middle-income older adults in Minnesota are even more reliant on Social Security’s earned benefit, typically receiving 78 percent of their family income from Social Security.

Social Security keeps middle-income older Minnesotans from falling into poverty
- Census data show about 7 percent, or 48,299, of older Minnesotans living in poverty.
- Without Social Security income, an additional 38 percent of older Minnesotans, or 266,604 people, would fall into poverty.

Social Security plays an important role in Minnesota’s economy
- Social Security provided $13.1 billion in benefits to all Minnesotans and $10.2 billion in benefits to Minnesotans aged 65 and older in 2012.

Medicare in Minnesota

Medicare provides guaranteed health coverage, but out-of-pocket costs are high
- On average, Minnesota’s Medicare beneficiaries spent an estimated $5,245 on out-of-pocket health care costs in 2012.
- In 2012, older Minnesota 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 Minnesotans
- Nearly 98 percent of older Minnesotans were enrolled in Medicare in 2011.

Medicare plays an important role in Minnesota’s economy
- The Medicare program spent an estimated $7.7 billion on health care services for 714,961 older Minnesotans in 2012.