



Retirement Healthcare for Middle-Income Americans

Key Findings

Middle-income Americans recognize the role good health plays in retirement satisfaction and are concerned about the future of Medicare.

- Virtually all (98%) of middle-income retirees state that good health is extremely or very important to a satisfying retirement.
- Nine in ten (93%) middle-income Americans age 47 to 75 feel they have a greater awareness of healthy living now than when they were in their 20s.
- Nine out of ten (89%) middle-income Americans age 47 and older say they are in similar or better health than their parents were at their age.
- Alzheimer's disease is the number one health-related fear of aging for middle-income Americans age 47 to 75, approximately twice that of cancer or heart attack.
- Nearly half (45%) of working Boomers age 47 to 64 report they are waiting to retire until they are eligible for Medicare. This compares to only twenty percent (20%) of retirees age 65 to 75 who factored Medicare into their decision of when to retire.
- Middle-income Americans age 47 and older are concerned about the future of Medicare (87%) and most believe the federal government will cut back Medicare benefits (71%).
- Half (51%) of middle-income Americans age 47 and older do not know if healthcare reform will benefit them; more than one-third (36%) say reform will not benefit someone their age.

Most middle-income Americans are satisfied with Medicare's access to quality healthcare.

- Eight in ten (81%) middle-income Americans with Medicare are extremely or very satisfied with Medicare's access to healthcare.
- Eight in ten (83%) middle-income Americans with Medicare are extremely or very satisfied with the quality of healthcare Medicare provides.

Middle-income Americans take a "learn as you go" approach to understanding Medicare's coverage and cost, which often results in financial surprises.

- Two-fifths (42%) of middle-income Americans with Medicare feel that their overall understanding of Medicare is extremely or very good, but there are meaningful gaps in their understanding.
 - One in three middle-income Americans with Medicare still do not know how much the program covers for doctor visits (33%) or hospitalization (31%).
 - Two out of three (66%) middle-income Americans with Medicare do not know if Medicare covers long-term care or overestimate its long-term care coverage.
 - Less than half (42%) of middle-income Americans take advantage of Medicare's annual wellness visit.

- Two-thirds (65%) of middle-income Americans report paying the same or more for healthcare now that they are on Medicare.
- Two-fifths (43%) of middle-income Americans are paying more for healthcare with Medicare than they expected they would, compared to only fourteen percent (14%) who are paying less than they expected.
- Close to half (44%) of middle-income Americans report paying more than they had expected for monthly Medicare premiums.
- Middle-income Americans with Medicare cite long-term care in a facility (48%) as the top healthcare expense that they feel threatens their retirement financial security.
- More than three-fourths (78%) of middle-income Americans on Medicare have taken at least one action to reduce their healthcare expenses, including switching to generic prescriptions (69%), holding off going to the doctor (22%) or changing to a less expensive health plan (15%).

Middle-income Boomers not yet on Medicare do not understand what they will be required to pay for retirement healthcare.

- More than half (56%) of middle-income Boomers age 47 to 64 report knowing little about the Medicare program, with one in four (26%) admitting to knowing almost nothing about Medicare, even those within a few years of turning 65.
- More than one-quarter (27%) of pre-Medicare age Boomers could not venture a guess as to how much they think they will pay for healthcare once on Medicare versus what they pay today. One in seven (13%) Boomers under age 65 falsely believe Medicare is free.

Methodology

The Bankers Life and Casualty Company Center for a Secure Retirement's study *Retirement Healthcare for Middle-Income Americans* was conducted in September 2011 by the independent research firm The Blackstone Group.

A nationwide sample of 800 Americans ages 47 to 75 who have an annual household income of between \$25,000 and \$75,000 participated in the Internet-based survey. A sample of 400 pre-Medicare age Baby Boomers (age 47 to 64) and 400 older middle-income adults (age 65 to 75) comprised the total sample. Significant sub-sample differences were tested at the 95% confidence levels.

About Us

Bankers Life and Casualty Company Center for a Secure Retirement is the company's research and consumer education program. Its studies and consumer awareness campaigns provide insight and practical advice for how everyday Americans can achieve financial security during retirement.

Established in 1879 in Chicago, Bankers Life and Casualty Company focuses on the insurance needs of the retirement market. The nationwide company, a subsidiary of CNO Financial Group, Inc., offers a broad portfolio of life and health insurance retirement products designed especially for Boomers and retirees.

Bankers Life and Casualty Company
Center for a Secure Retirement
Chicago, IL

bankers.com
centerforasecureretirement.com