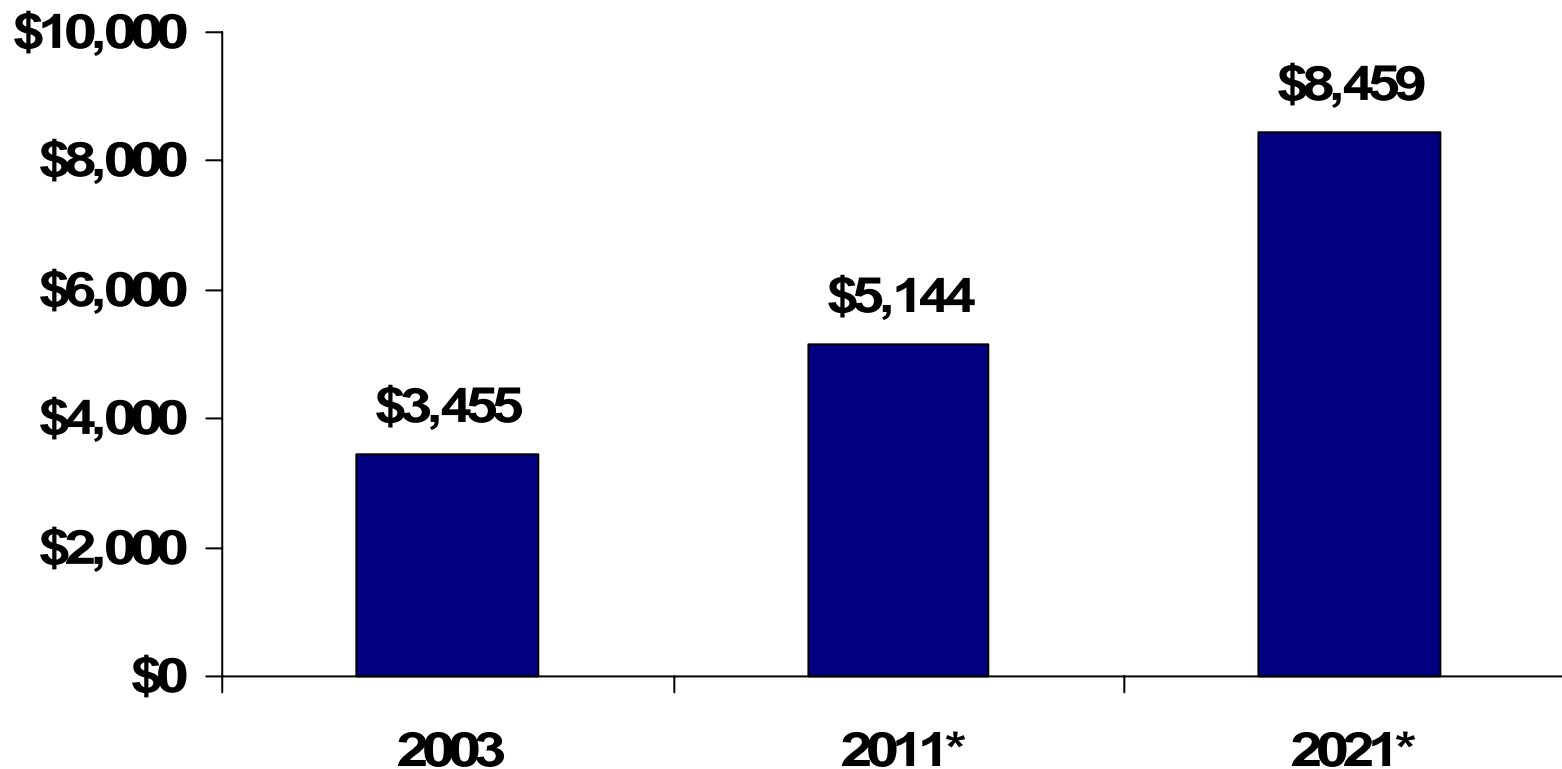
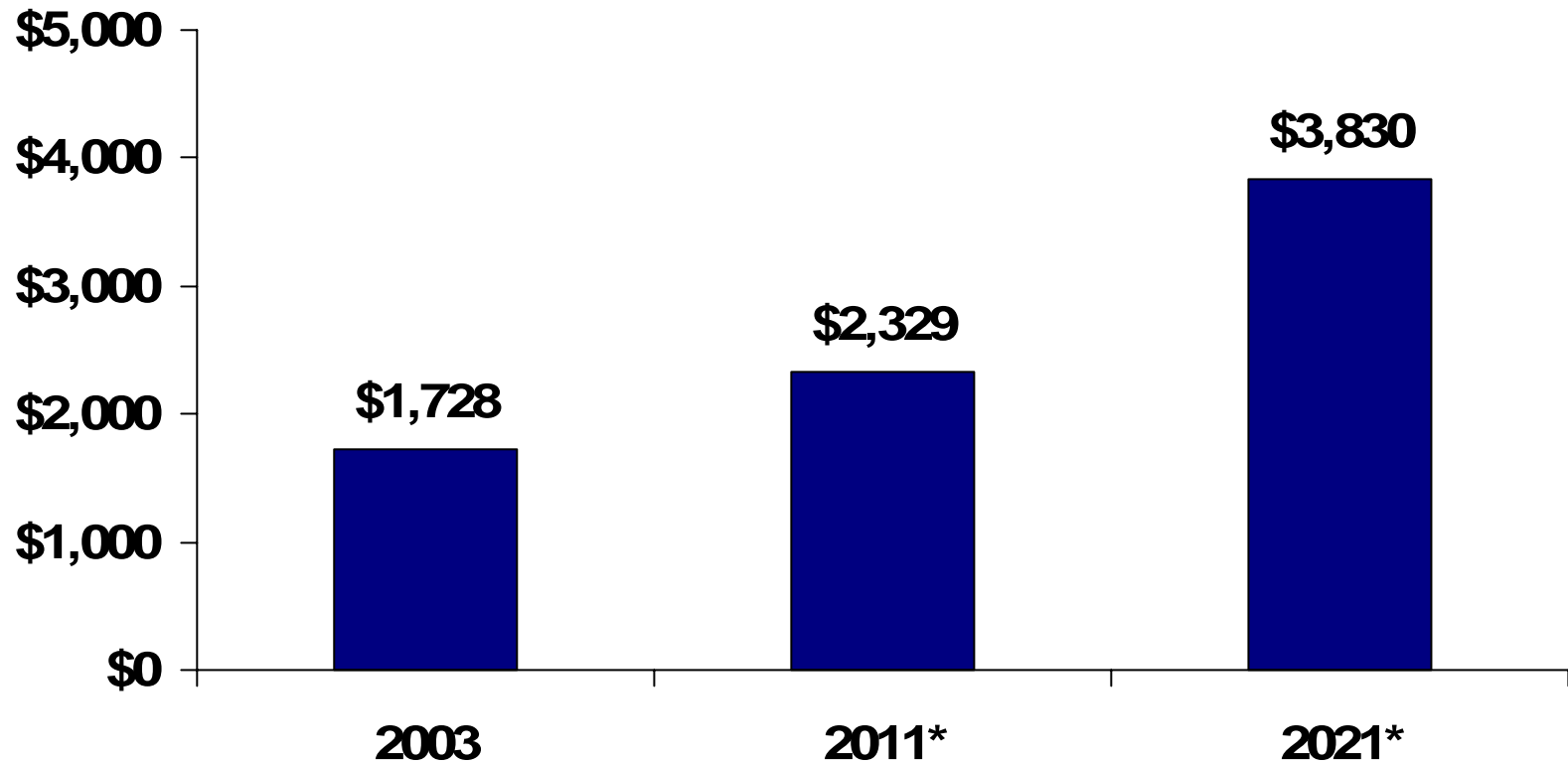


Figure 1. Average Out-of-Pocket Health Care Spending, for All Medicare Beneficiaries Age 65 and Up



* Projected costs assume an annual 5.1% inflation rate.

Figure 2. Average Annual Supplemental Medigap Plan F Premium for Medicare Beneficiaries Age 65 and Up



* Projected costs assume an annual 5.1% inflation rate.

Figure 3. Medicare Beneficiaries Without Supplemental Coverage, 2002

Percentage by annual household income

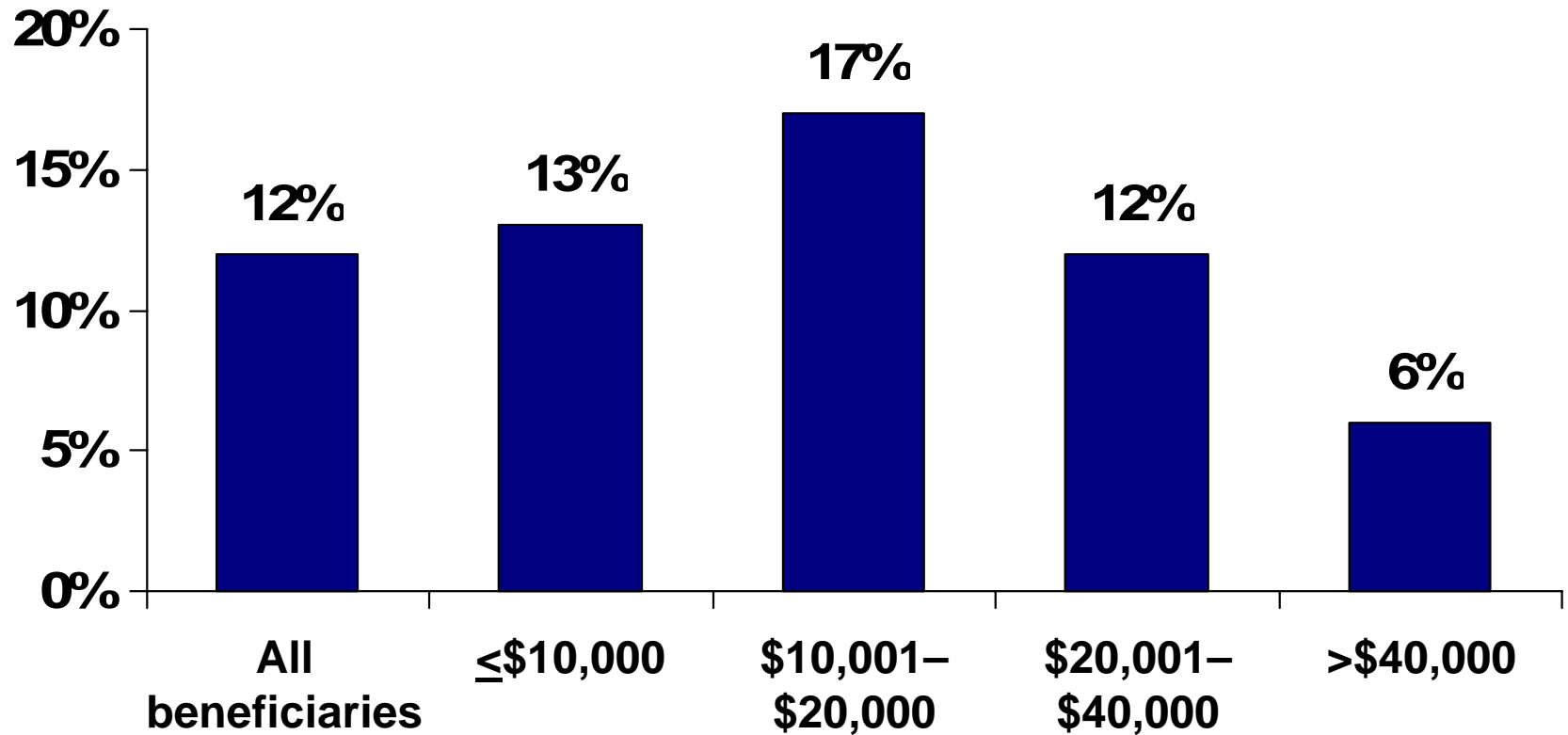


Figure 4a. Average Out-of-Pocket Health Care Spending in 2003, for Poor and Middle-Income Individuals

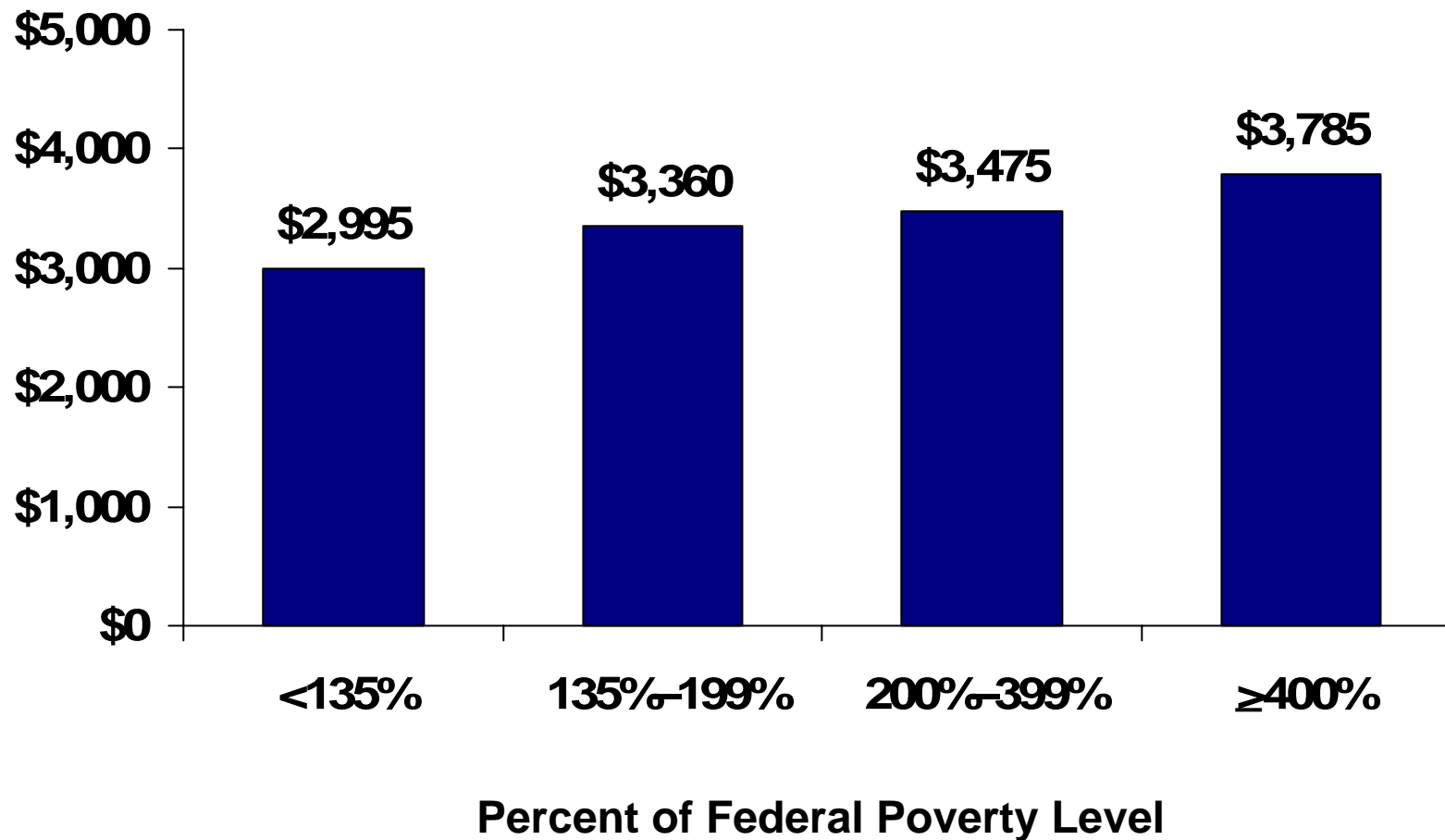


Figure 4b. Average Out-of-Pocket Health Care Spending as a Percentage of Income in 2003, for Poor and Middle-Income Individuals

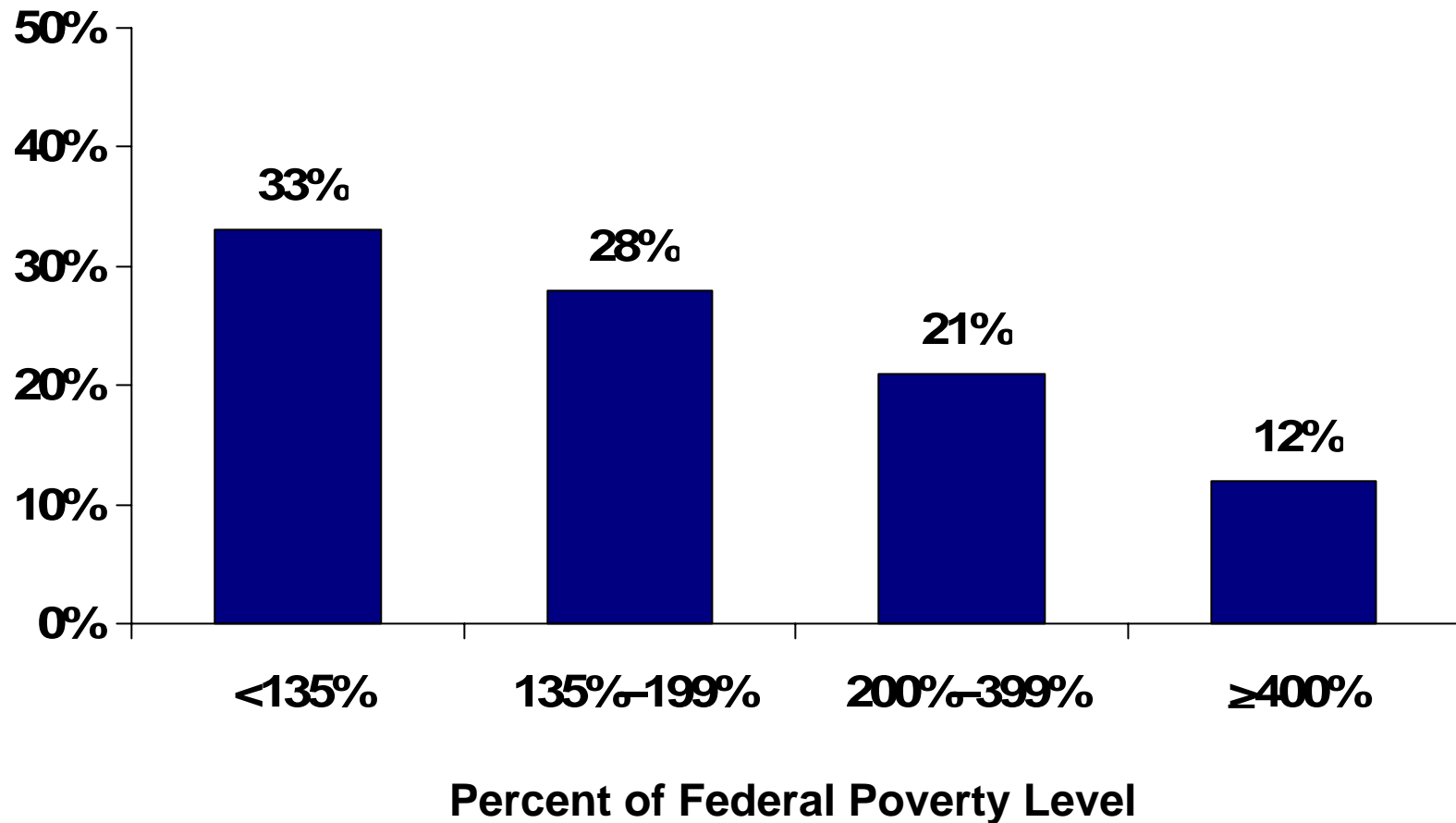


Figure 5. How Projected Account Holdings at Age 65 Vary for Poor- and Middle-Income Individuals

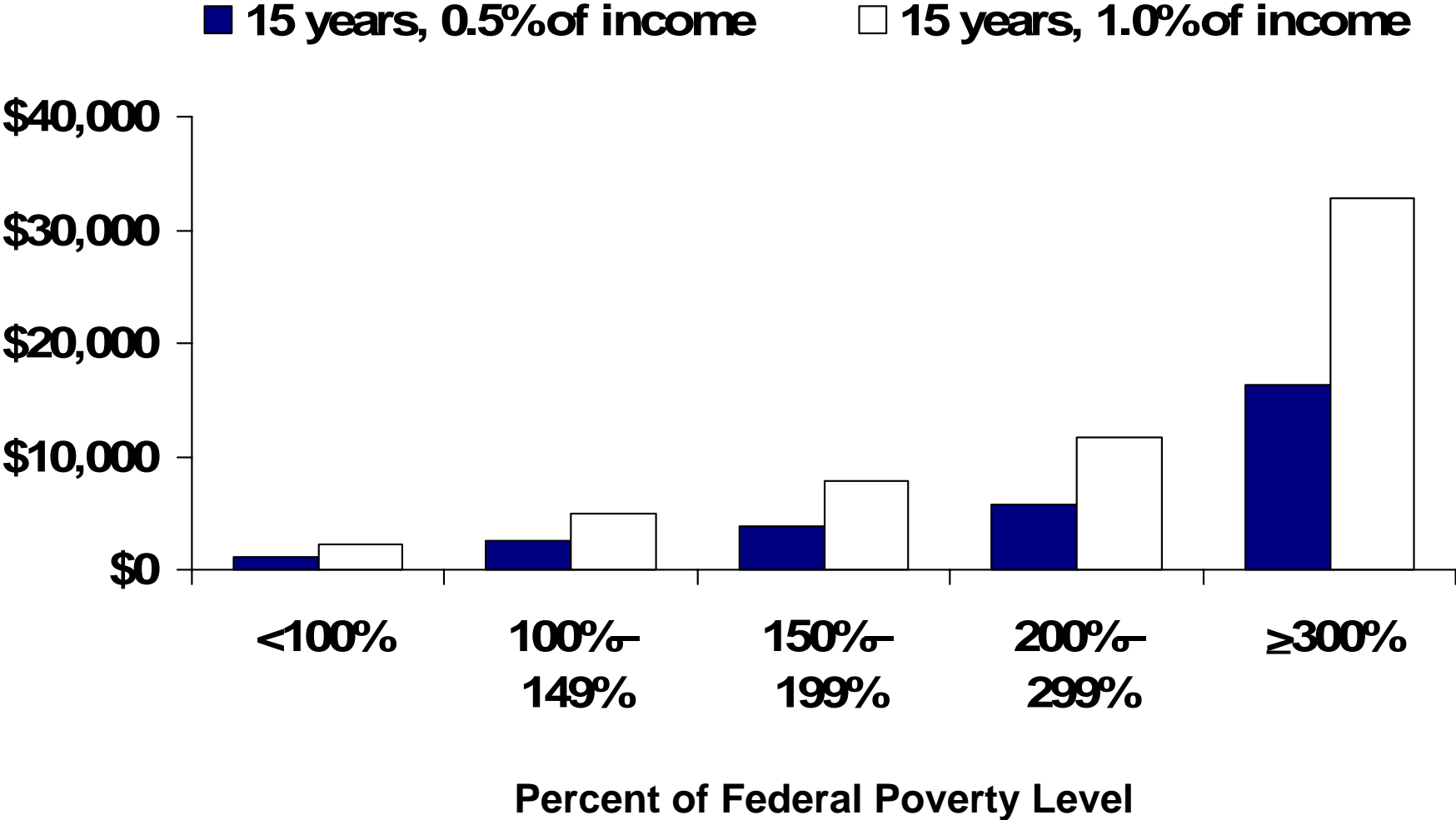
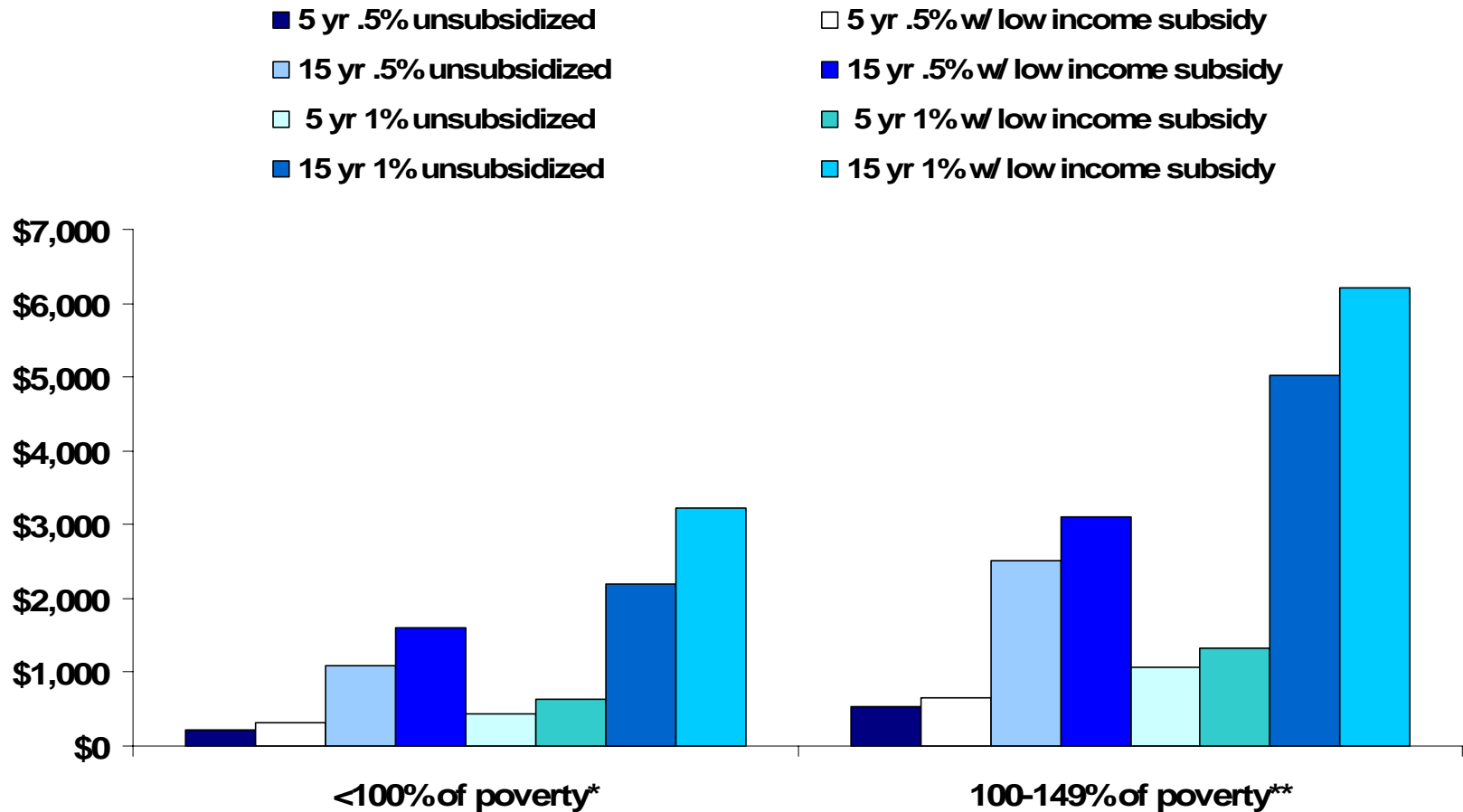


Figure 6. Pretax Account Contributions With and Without Low-Income Subsidy

Accumulated under 5- and 15-year investment scenarios



* 50% annual subsidization level

** 25% annual subsidization level.

Figure 7. Prefunded Account Holdings vs. Annual Medical Costs in 2021, by Income Level

- Medigap Plan F average annual premium
- Average annual out-of-pocket health care spending
- 15 yr savings at 0.5% income & low income subsidy
- 15 yr savings at 1% income & low income subsidy

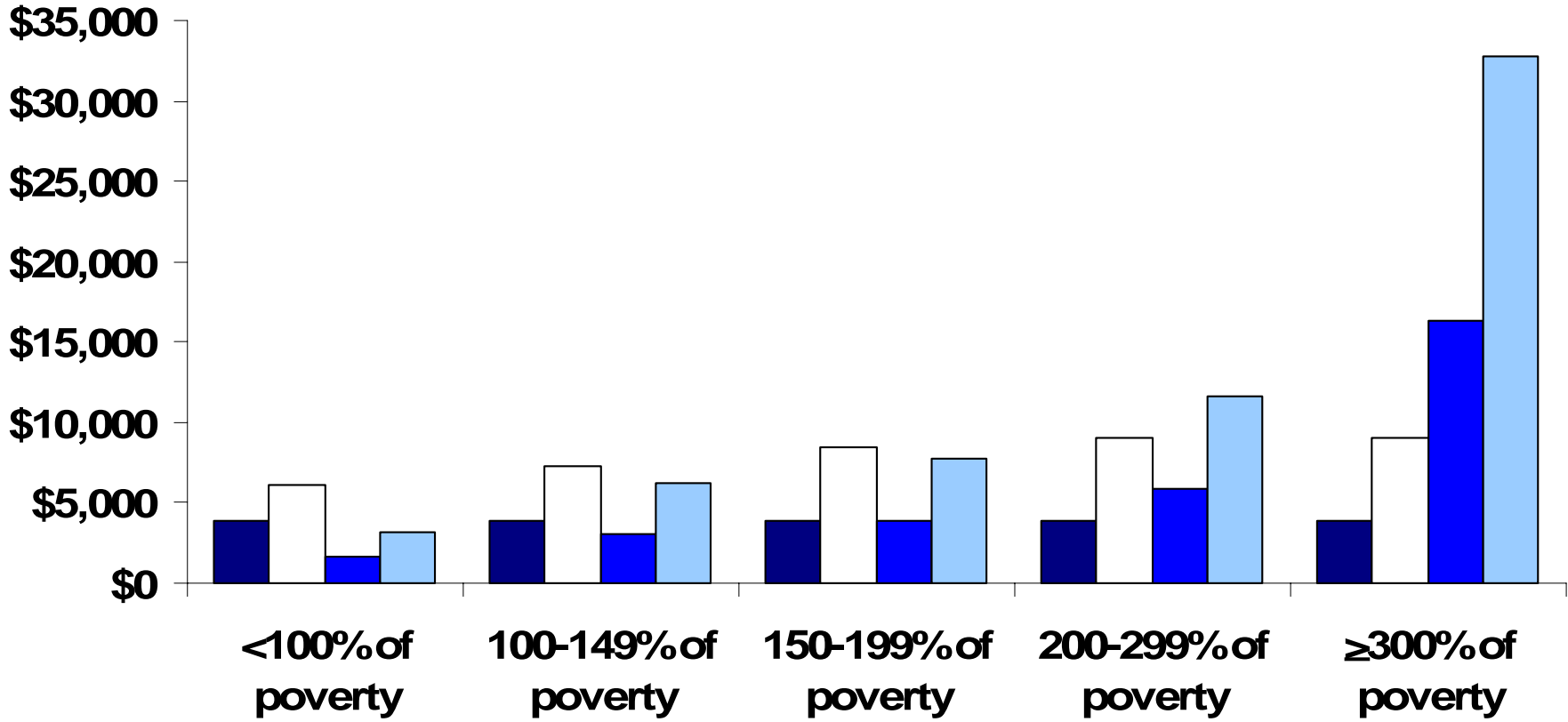


Figure 8. Account Holdings vs. Costs: The Difference Between Accounts Opened at Age 50 and at Age 60

For individuals with incomes between 150% and 199% of FPL and at 1 percent investment level

- Account Holdings
- Medigap Plan F average annual premium
- Average annual out-of-pocket health care spending, 175% of poverty

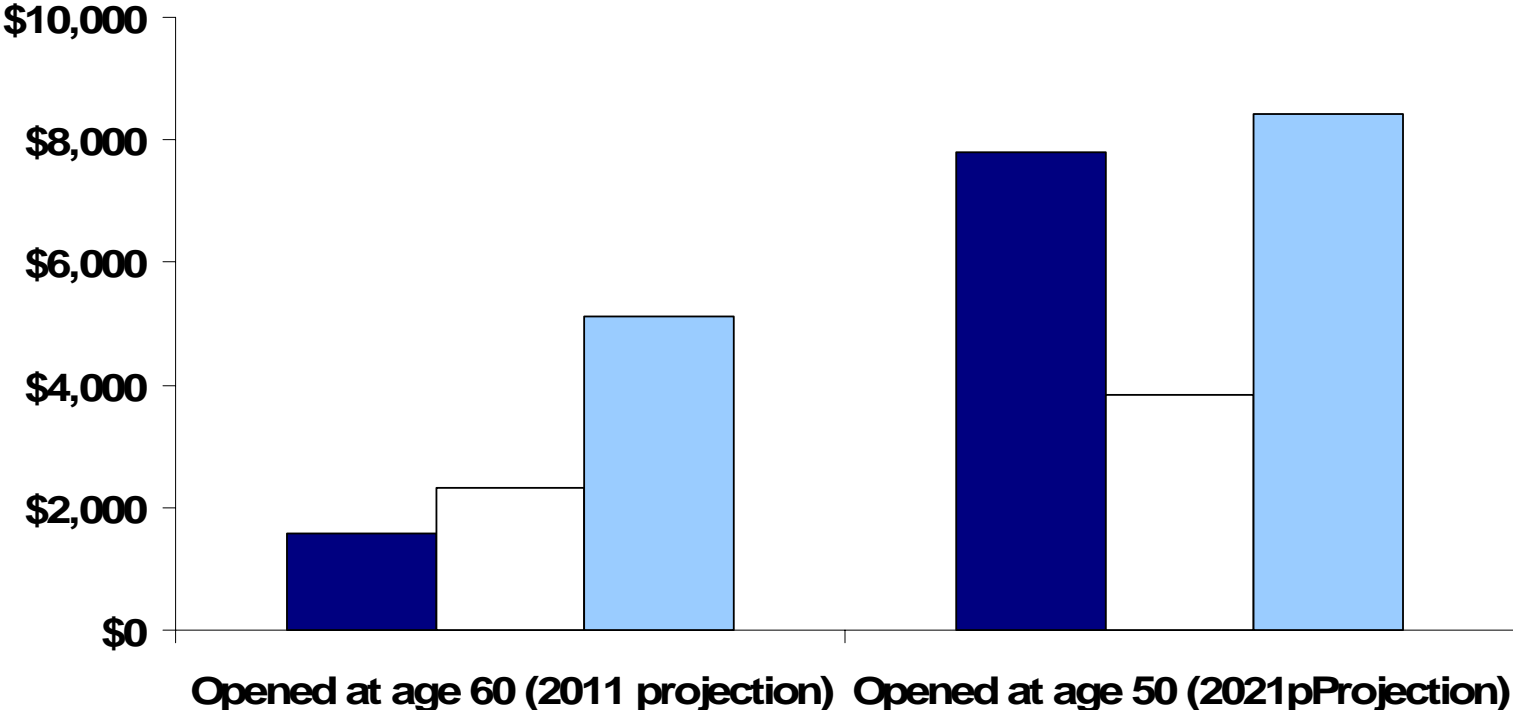


Figure 9a. Participation in IRA or 401(k)-Type Plans, by Income Quintile

Percentage of individuals ages 55 to 64 in 2004

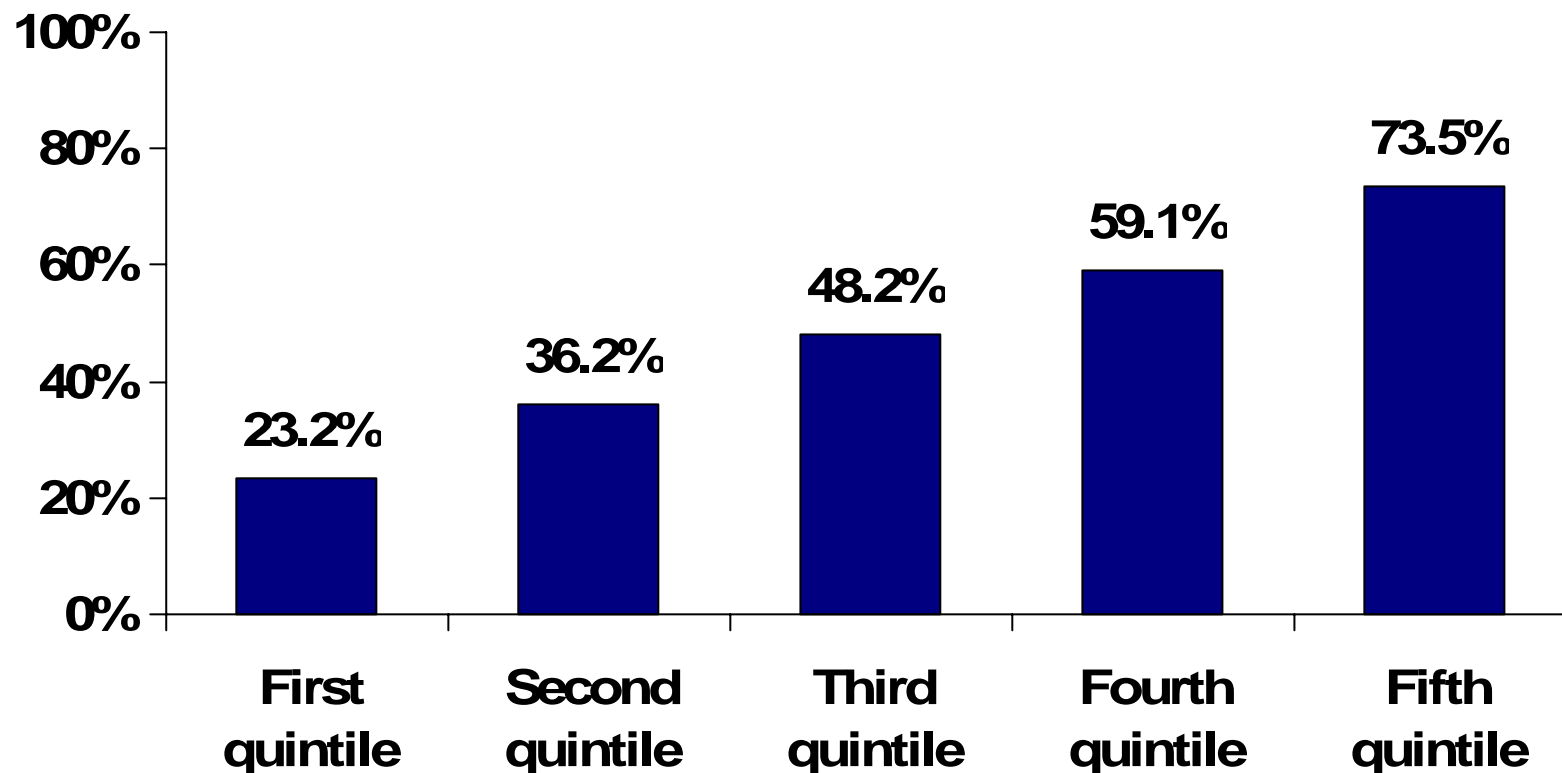


Figure 9b. Participation in IRA or 401(k)-Type Plans Relative to Poverty Level

Percentage of individuals ages 55 to 69 in 2000

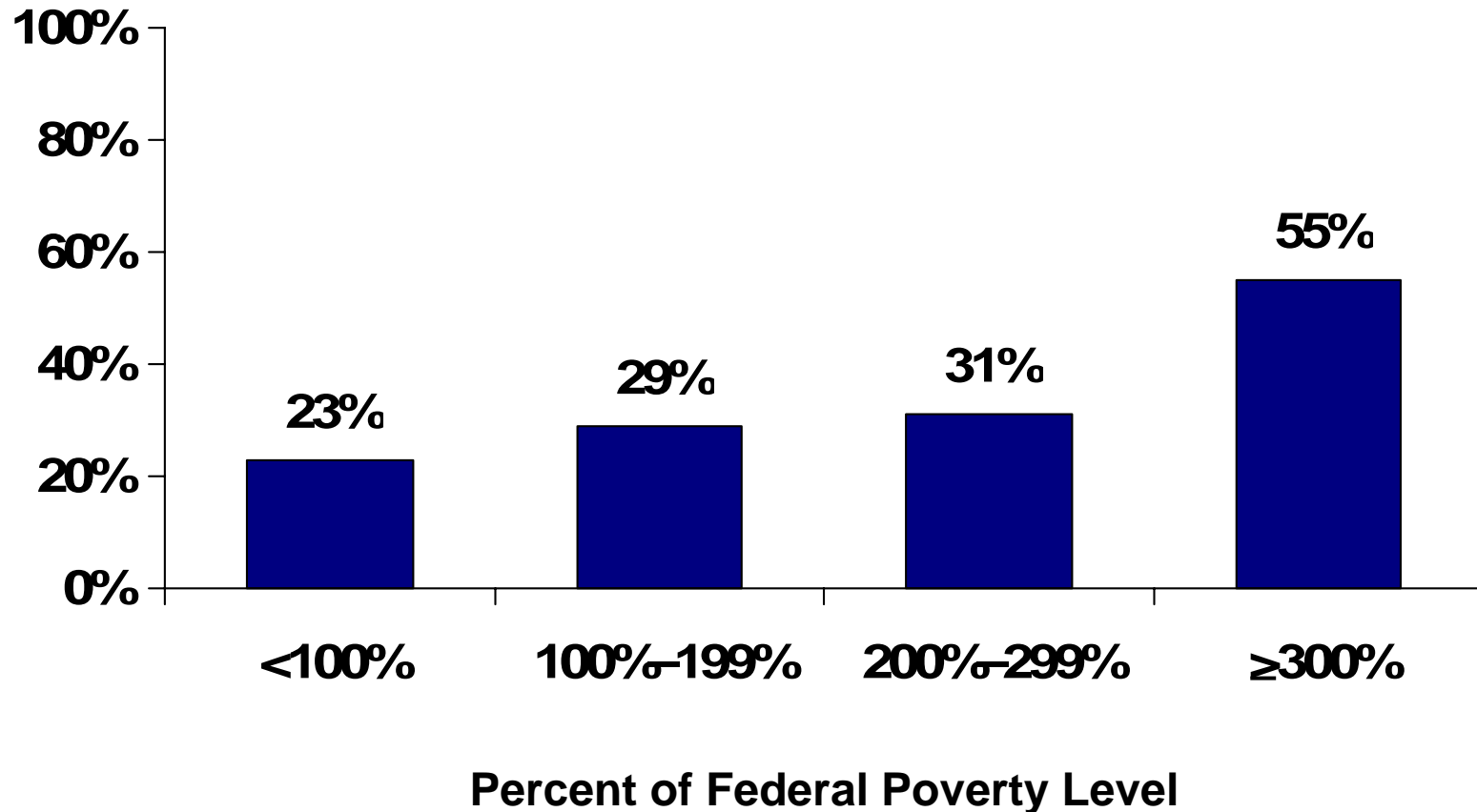


Figure 10a. Average Retirement Account Holdings for Individuals Ages 55 to 69, by Income Quintile, 2004

Percentage of individuals with no holdings

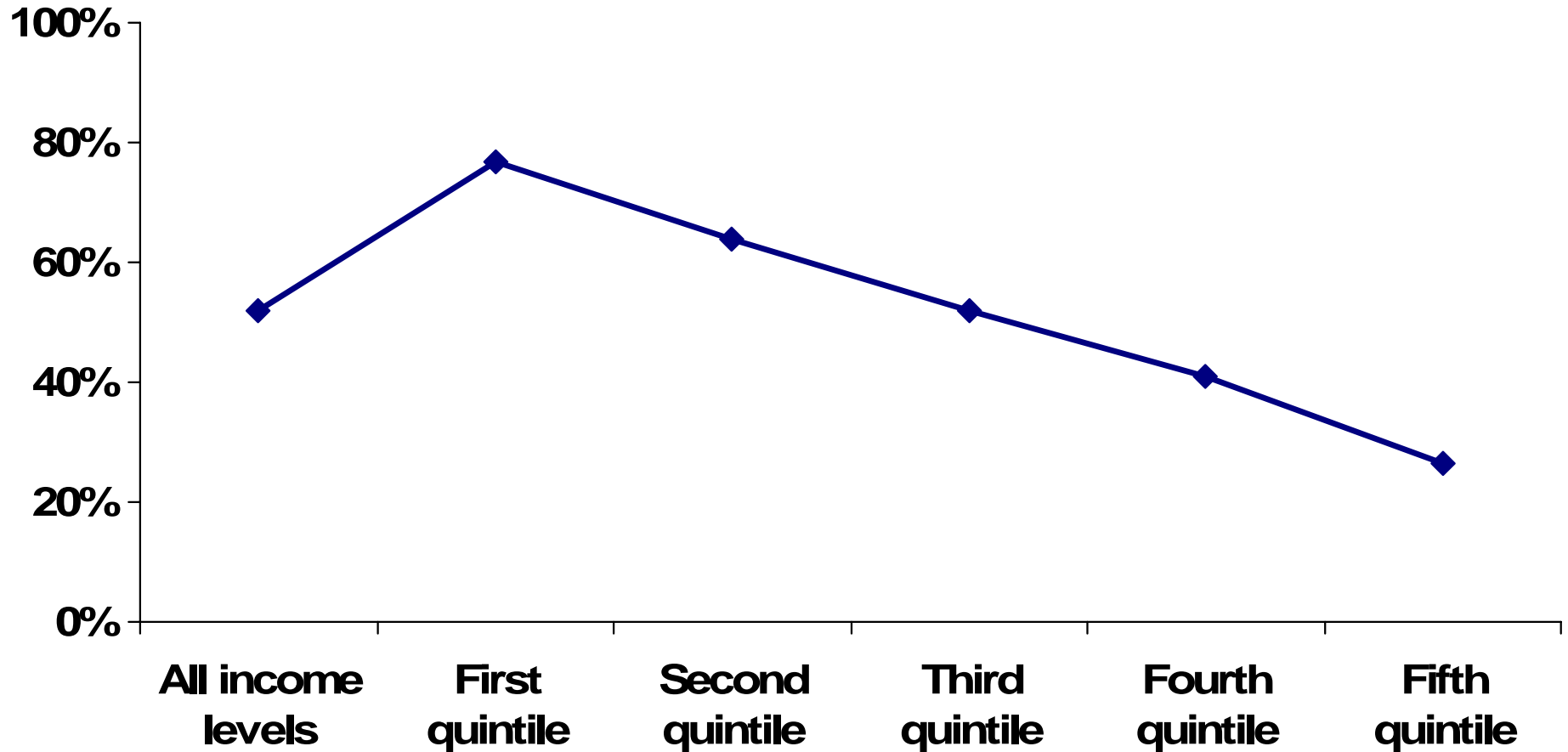
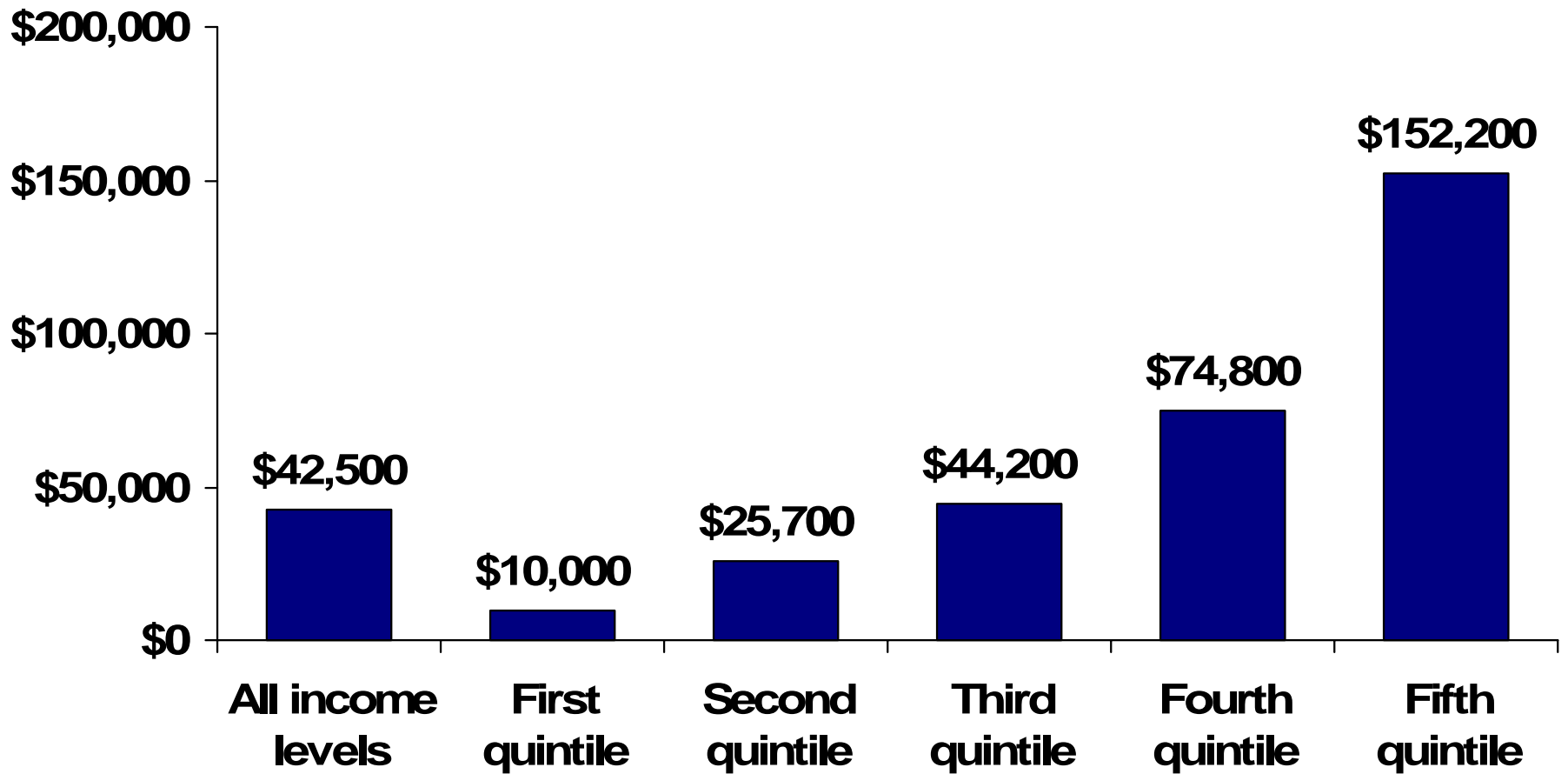


Figure 10b. Estimated Average Retirement Account Holdings for Individuals Ages 55 to 69, by Income Quintile



Source: Authors' tabulation based on the Survey of Income and Program Participation Study (2004, Wave 1), the 2000 Health and Retirement Study, and Johnson, Burman, Kobes (2004).

Figure A-1. Projected Holdings at Age 65 by Percentage of FPL and Under Alternative Assumptions

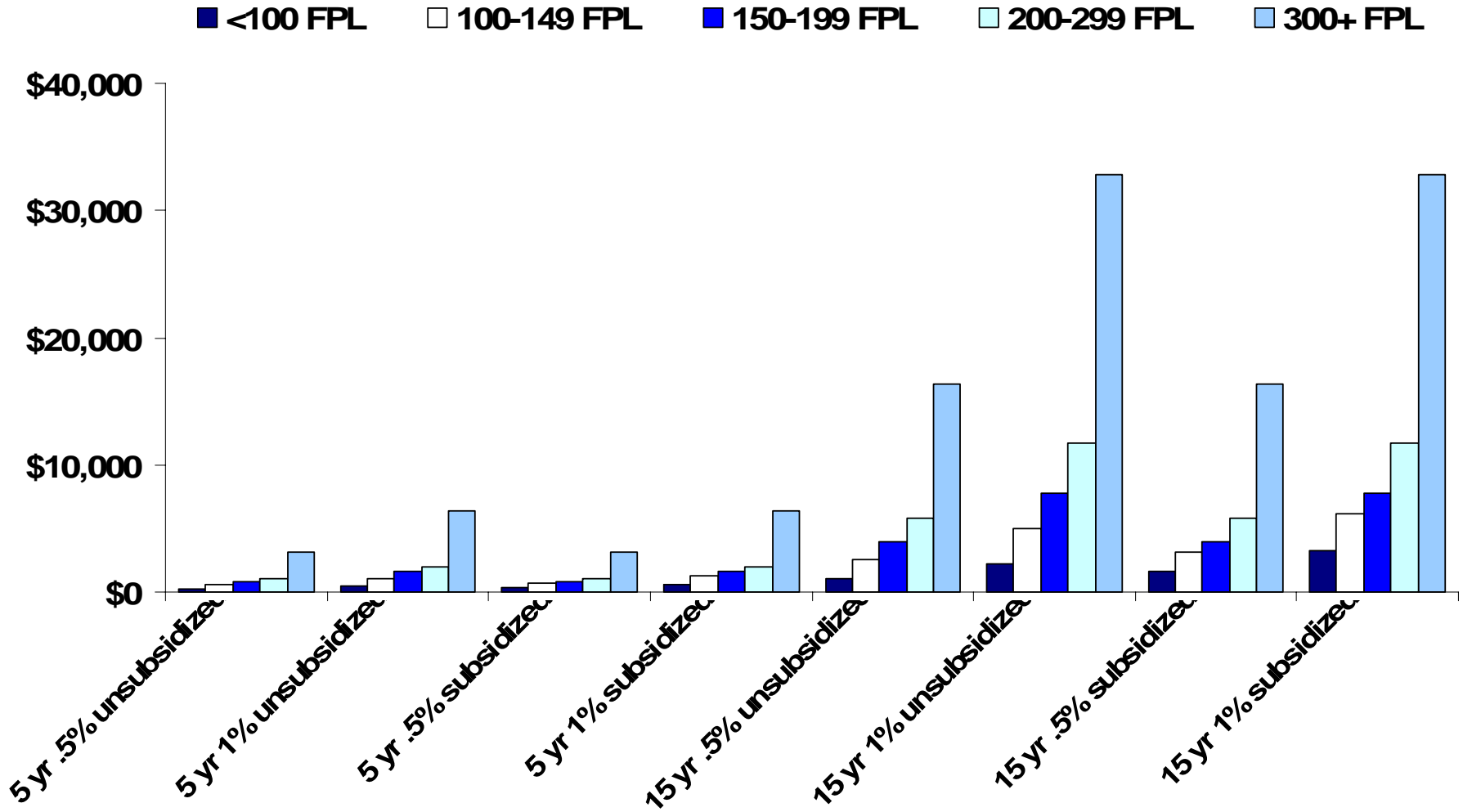
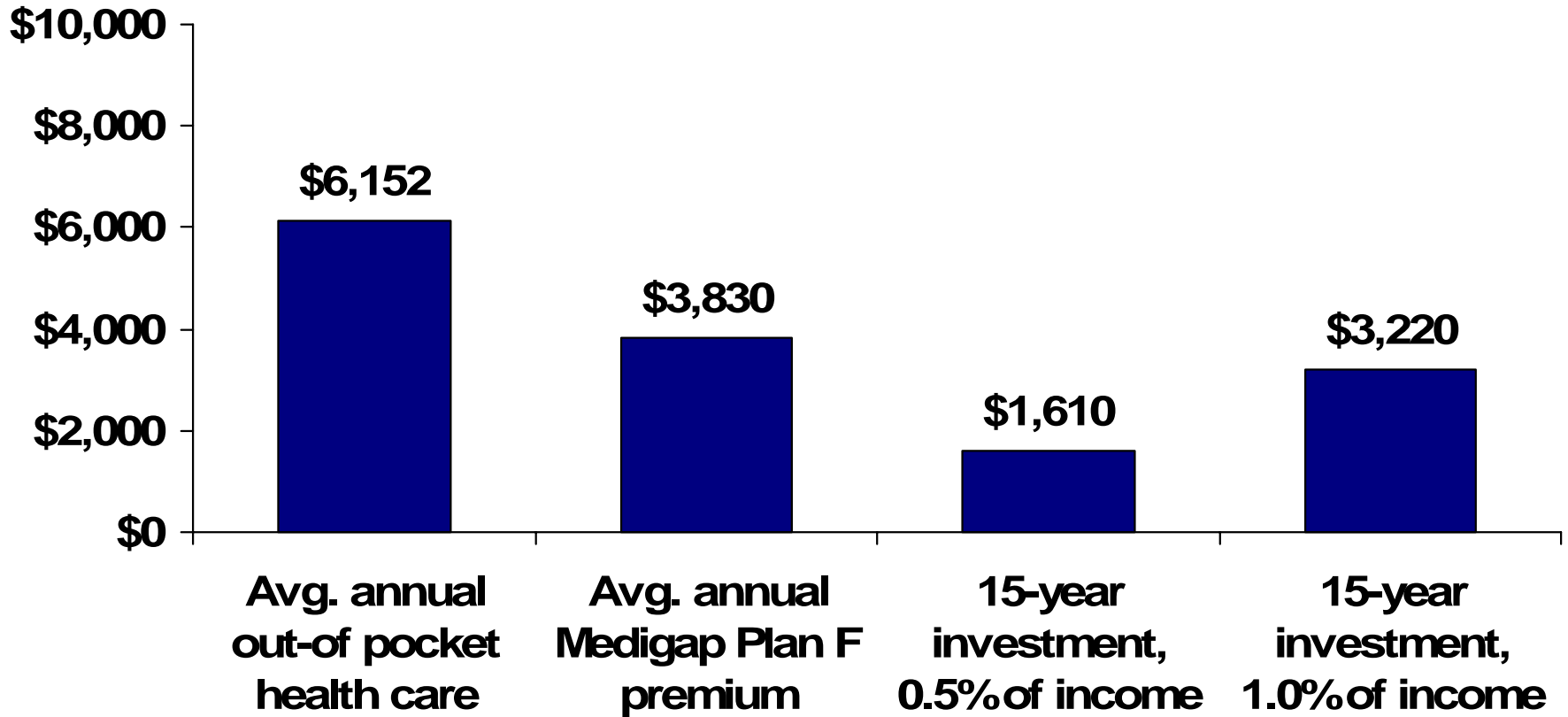


Figure B-1. Subsidized* Account Holdings and Average Annual Costs for Individuals Under 100% of Federal Poverty Level

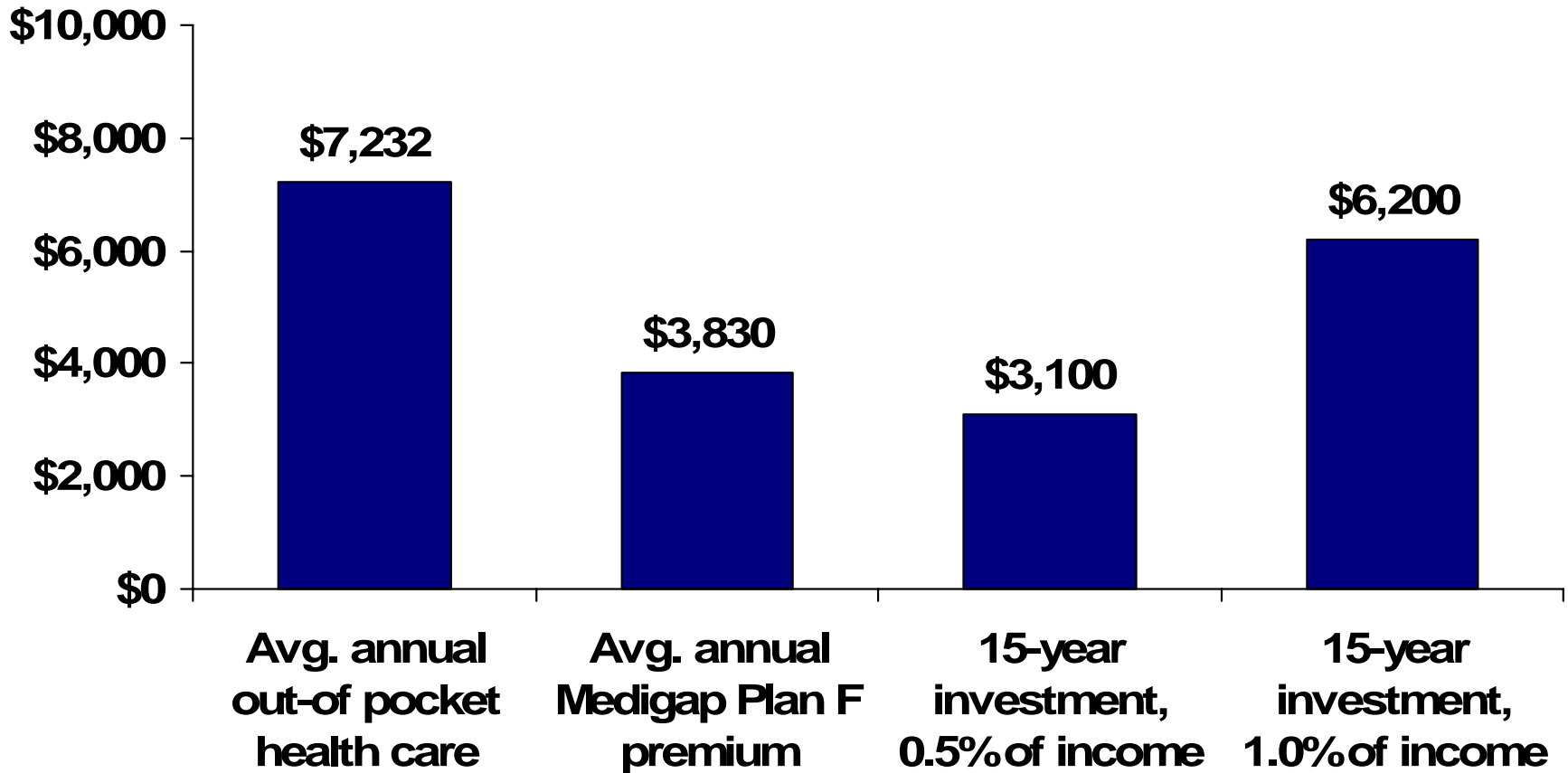
Accumulated pretax contribution at 0.5% or 1.0% of income



* Subsidized annually at the 50% level.

Figure B-2. Subsidized* Account Holdings and Average Annual Costs for Individuals at 100%–149% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income



* Subsidized annually at the 25% level.

Figure B-3. Unsubsidized Account Holdings and Average Annual Costs for Individuals at 150%–199% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

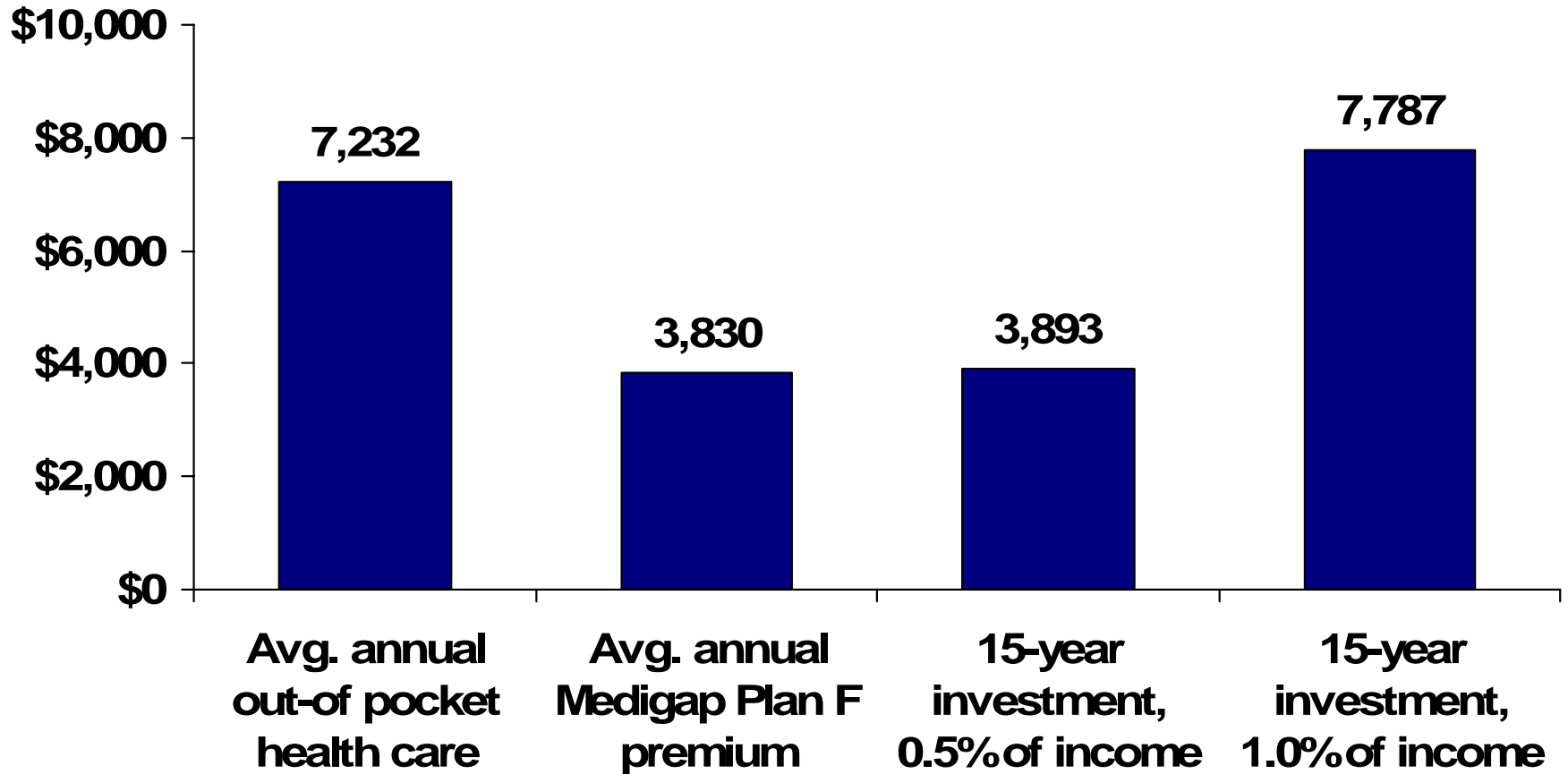


Figure B-4. Unsubsidized Account Holdings and Average Annual Costs for Individuals at 200%–300% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

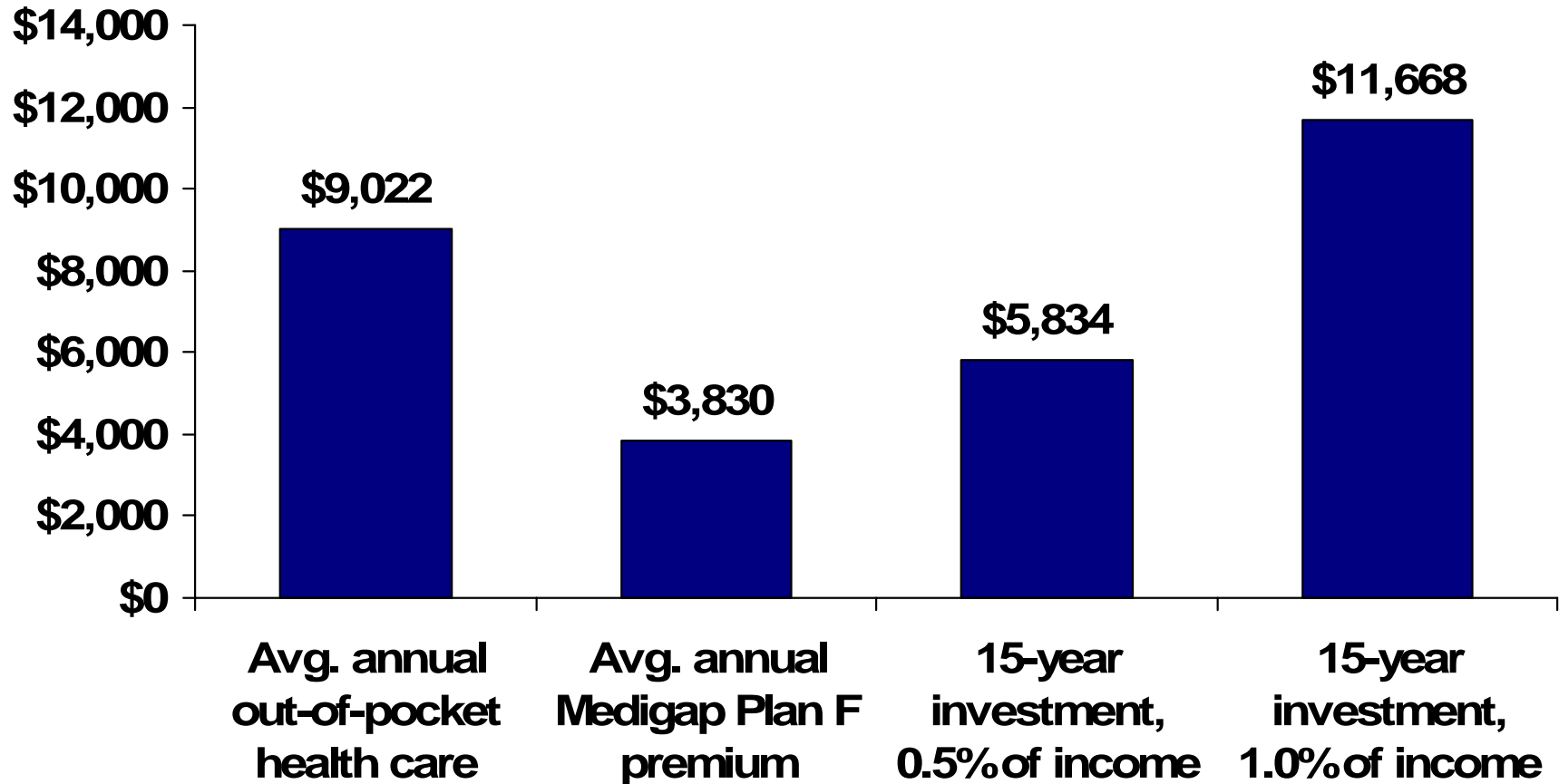


Figure B-5. Unsubsidized Account Holdings and Average Annual Costs for Individuals Above 300% of Federal Poverty Level

Accumulated pretax contribution at 0.5% or 1.0% of income

