

Strengthening Social Security:

What Do Americans Want?



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NASI conducted a three-part study, including:

- Two focus groups
- A survey of Americans' attitudes about Social Security
- An interactive exercise (trade-off analysis) to learn what package of Social Security changes Americans want and are willing to pay for

Americans Agree Benefits Are Critically Important and Could Be Improved

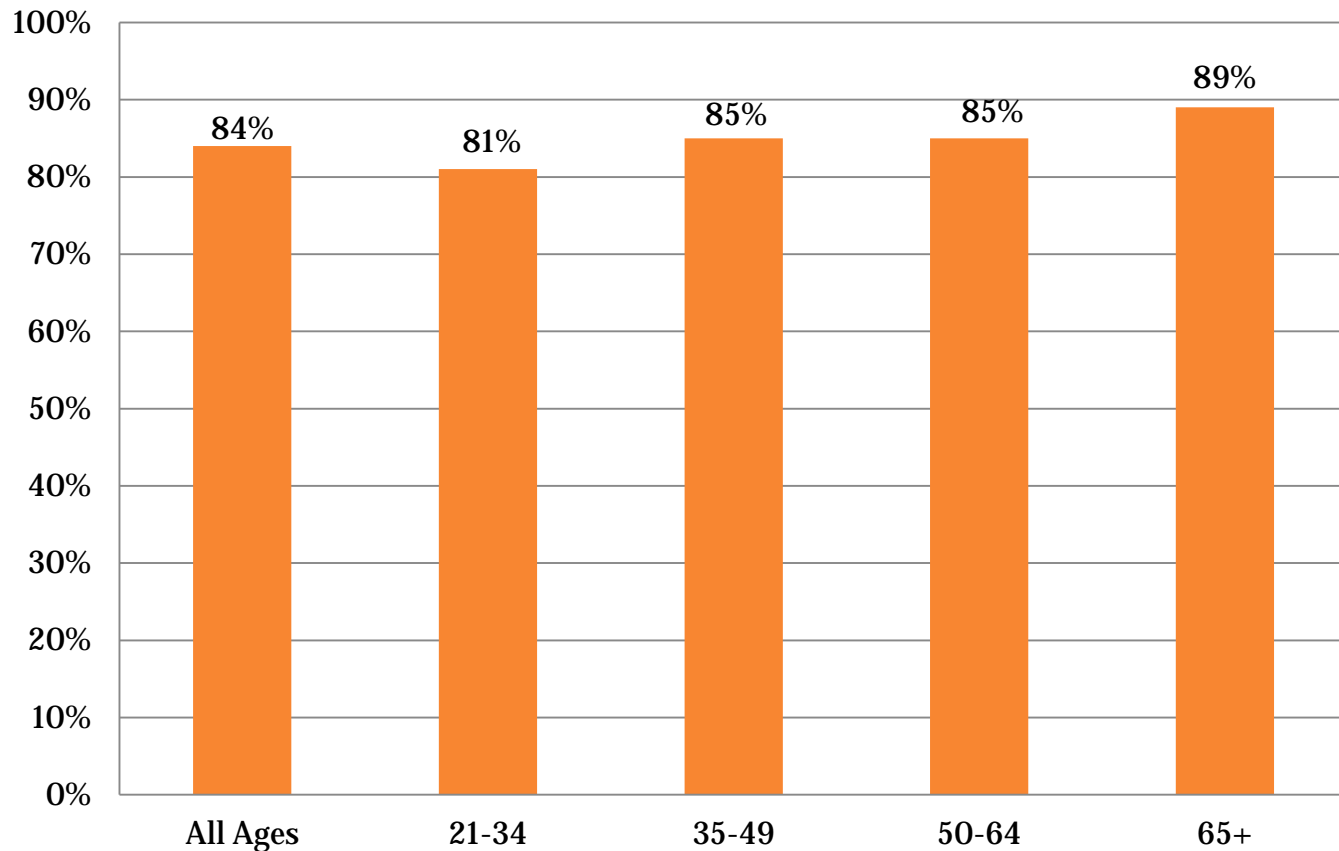


- **89% of Americans agree that “Social Security benefits now are more important than ever to ensure that retirees have a dependable income.”**
- **84% believe current Social Security benefits do not provide enough income for retirees.**
- **75% believe we should consider raising benefits to provide a more secure retirement for working Americans.**

Across Age Groups, Americans Don't Mind Paying for Social Security



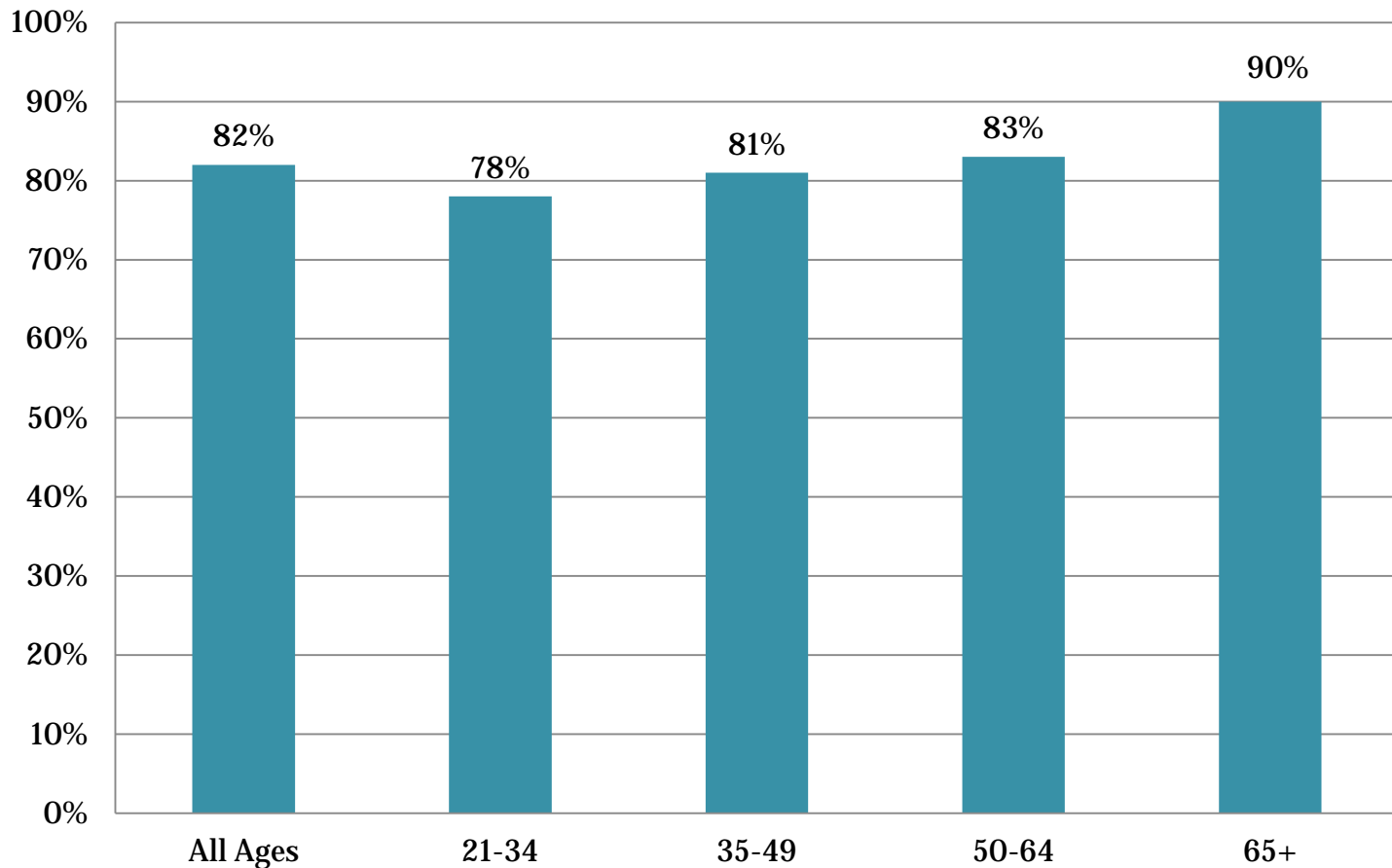
Percent Agreeing: I don't mind paying Social Security Taxes because it provides security and stability to millions of retired Americans, the disabled, and children and widowed spouses of deceased workers.



Across Age Groups, Americans Want to Preserve Social Security Even if Workers Have to Pay More



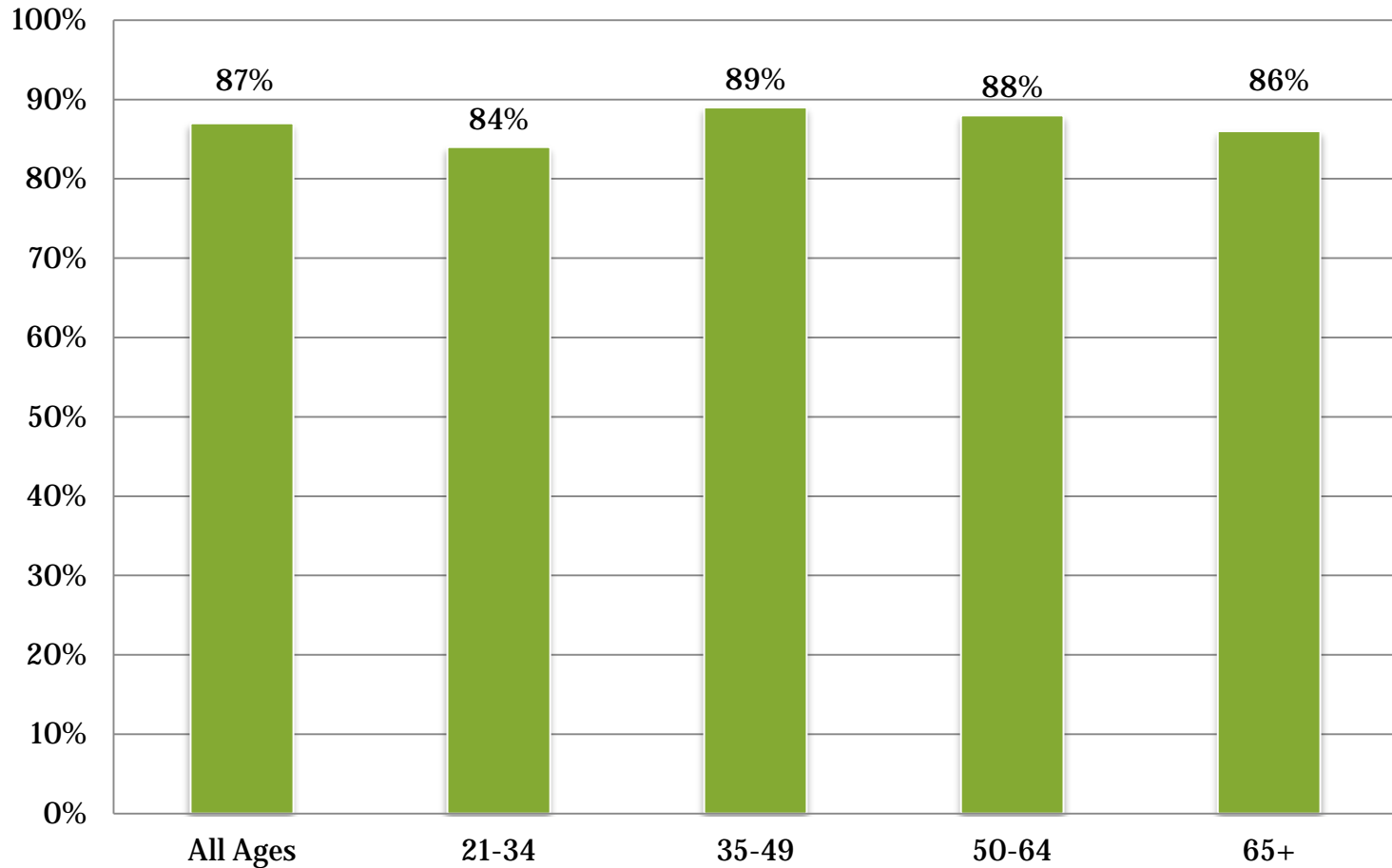
Percent Agreeing: *It is critical that we preserve Social Security for future generations, even if it means increasing working Americans' contributions to Social Security taxes.*



Across Age Groups, Americans Want to Preserve Social Security Even if Wealthy Americans Have to Pay More



Percent Agreeing: It is critical that we preserve Social Security for future generations, even if it means increasing wealthy Americans' contributions to Social Security taxes.



Confidence in Social Security



Despite strong support, Americans lack confidence in Social Security's future.

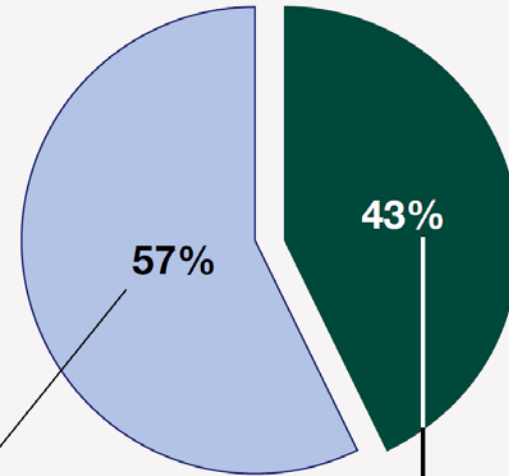
Table 15. **Confidence in Social Security's Future**

Level of Confidence	All Respondents <i>How confident are you in the future of Social Security?</i>	Respondents not yet receiving Social Security <i>How confident are you that all of the Social Security benefits you are supposed to receive will be available when you begin receiving benefits?</i>
Confident	43%	31%
Not confident	57	69

Source: National Academy of Social Insurance Survey, September 2012

Figure 3. **Perception of Social Security Shortfall:
Effect of New Information**

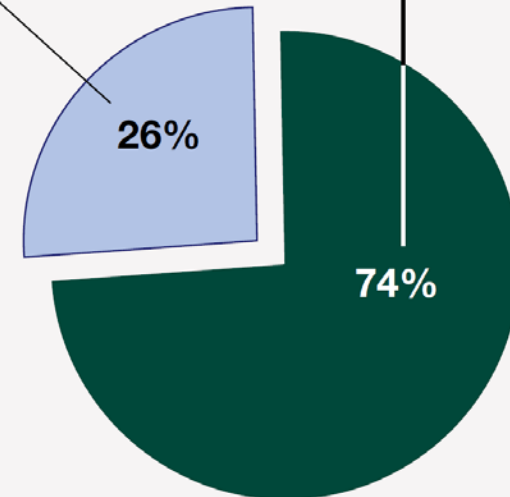
Would you say that funding for Social Security is a crisis, a significant problem, a manageable problem, or not a problem at all?



Crisis or a significant problem

Manageable problem or not a problem

If you knew that increasing Social Security taxes from 6.2% to 7.6% for both workers and employers would ensure that Social Security could pay full benefits for the next 75 years, would you say that funding for Social Security is a crisis, a significant problem, a manageable problem, or not a problem at all?



26%

74%

What is Trade-Off Analysis?



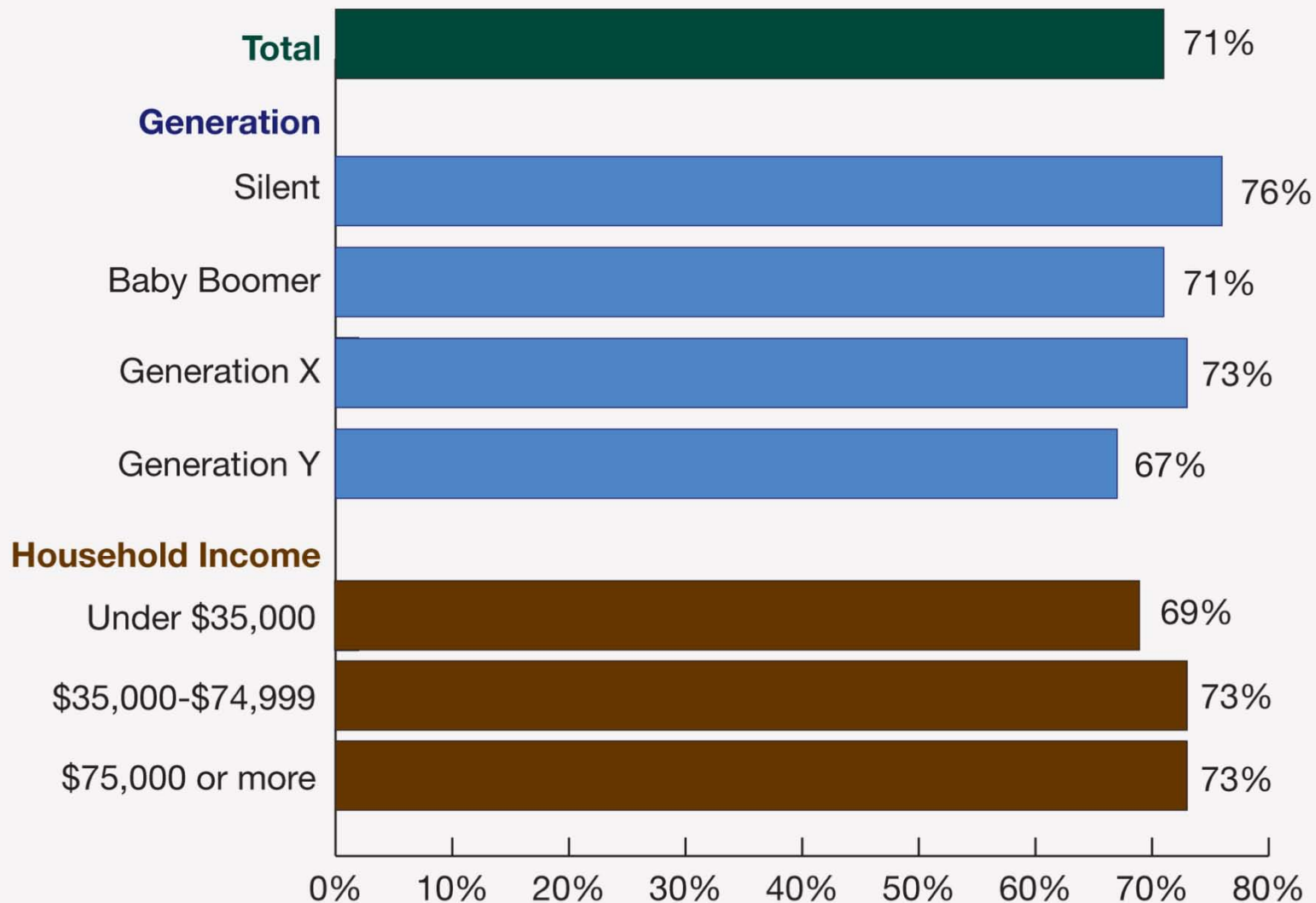
- Trade-off analysis has been used for over 30 years in market research.
- This is a new application of trade-off analysis to Social Security policy.
- Survey participants were given several packages of Social Security policy changes (including an estimate of how much each package would change Social Security's financing gap) and were asked to choose between them.
- 12 policy changes were examined in the trade-off analysis:
 - Four revenue increases;
 - Four benefit cuts; and
 - Four benefit increases.

Trade-Off Analysis: The Preferred Package



- The most favored package – preferred over the status quo by 7 in 10 Americans – would:
 - Gradually, over 10 years, eliminate the taxable earnings cap (now \$113,700).
 - Gradually, over 20 years, raise the payroll tax from 6.2% to 7.2%.
 - Increase the cost-of-living adjustment (COLA) to more accurately reflect the inflation actually experienced by seniors.
 - Raise the minimum benefit so that a lifetime low-wage worker can retire at 62 or later and have benefits above the federal poverty line.
- Together, these changes eliminate more than 100% of the long-term financing gap projected by Social Security’s trustees, providing a margin of safety.

Figure 1. **Support for the Preferred Package of Policy Options in Trade-Off Analysis**



Source: National Academy of Social Insurance Survey, September 2012

Consistent Findings in Focus Groups, Survey, and Trade-Off Analysis



- In focus groups, Americans were concerned about benefits being too low.
- In the survey, large majorities of Americans in all age groups say they don't mind paying for Social Security and are willing to pay more.
- In trade-off analysis, the preferred package would:
 - Gradually increase taxes in two ways – for top earners and for all workers; and
 - Increase benefits in two ways – for low earners and for all beneficiaries via the COLA.