

2005 RCS FACT SHEET

**ATTITUDES ABOUT
 SOCIAL SECURITY & MEDICARE**

Confidence in Social Security and Medicare appears weak but higher than 10 years ago, and knowledge of Social Security is limited.

Confidence in Social Security

- Nearly 7 in 10 workers are *not too* or *not at all* confident that Social Security will continue to provide benefits of at least equal value to the benefits retirees receive today (68 percent). While skepticism about Social Security has remained relatively constant in recent years, it is lower than in 1995 (79 percent).

Figure 1
**Worker Confidence That the Social Security System Will Continue to
 Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1993–2005**

	1993	1995	1998	2000	2001	2002	2003	2004	2005
Very confident	4%	3%	6%	7%	8%	6%	7%	7%	8%
Somewhat confident	19	16	16	21	26	25	26	28	23
Not too confident	41	42	31	39	33	38	35	31	33
Not at all confident	33	38	44	33	32	30	31	32	35

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2005 Retirement Confidence Surveys.

- Perhaps because they are already receiving benefits, retirees are more likely than workers to express confidence about the future of Social Security. Fewer than 4 in 10 retirees are *not too* or *not at all* confident that Social Security will continue to provide benefits of at least equal value (38 percent). Retiree uncertainty about Social Security has remained statistically stable for the past few years, although retirees are also less likely than in 1995 (50 percent) to say they are not confident.

Figure 2
**Retiree Confidence That the Social Security System Will Continue to
 Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1993–2005**

	1993	1995	1998	2000	2001	2002	2003	2004	2005
Very confident	14%	12%	19%	26%	28%	27%	27%	18%	21%
Somewhat confident	36	30	34	33	38	31	36	39	37
Not too confident	34	35	31	27	20	30	22	26	26
Not at all confident	6	15	11	9	7	8	11	11	12

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2005 Retirement Confidence Surveys.

Knowledge of Social Security Retirement Age

- Many of today’s workers will not be eligible to receive Social Security benefits without a reduction for early retirement until they are 67, but most continue to be unaware of the phased increase in the normal retirement age from 65 to 67.
- Half expect to reach eligibility for unreduced benefits sooner than they actually will (52 percent). Many of these incorrectly expect to be eligible for these retirement benefits at age 65 (33 percent of all workers), but some believe they will be eligible even before age 65 (20 percent).
- Only 19 percent are able to give the correct age at which they will be eligible for unreduced retirement benefits, and 9 percent believe they will be eligible later than they actually will be. Two in 10 workers say they do not

know when they will be eligible to receive benefits from Social Security without a reduction for early retirement (20 percent).

- Older workers are more likely than younger workers to know when they are eligible for unreduced retirement benefits from Social Security.

Figure 3

Knowledge of Eligibility Age for Unreduced Social Security Retirement Benefits, by Age Group

	All Workers	Ages 25–34	Ages 35–44	Ages 45–54	Ages 55+
4 or more years earlier	17%	17%	18%	20%	13%
1–3 years earlier	33	32	35	32	32
Correct	19	6	13	23	43
Later	9	98	14	7	3
Don't know	20	34	19	14	8
Never/Not eligible	2	2	1	3	2

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2005 Retirement Confidence Survey.

Confidence in Medicare

- Although the financial difficulties threatening Medicare are more imminent than those facing Social Security, workers are less likely to feel uncertain about its future. More than 6 in 10 workers are *not too* or *not at all* confident that Medicare will continue to provide benefits of at least equal value to the benefits retirees receive today (61 percent). Again, this proportion has not changed in recent years, and is considerably below the level measured in 1995 (76 percent).

Figure 4

Worker Confidence That the Medicare System Will Continue to Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1993–2005

	1993	1995	1998	2000	2001	2002	2003	2004	2005
Very confident	3%	2%	4%	6%	7%	5%	5%	6%	7%
Somewhat confident	21	19	24	29	32	28	34	31	30
Not too confident	43	38	34	38	31	40	36	35	33
Not at all confident	30	38	36	27	26	26	25	26	28

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2005 Retirement Confidence Surveys.

- One-third of retirees say they are *not too* or *not at all* confident in the future value of Medicare benefits (33 percent). This represents a return to 2003 levels (34 percent) after skepticism briefly increased in 2004 (43 percent). Moreover, retirees are considerably less likely than in 1995 to express doubts about the ability of Medicare to continue paying benefits of at least equal value to those received by current retirees (56 percent).

Figure 5

Retiree Confidence That the Medicare System Will Continue to Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1993–2005

	1993	1995	1998	2000	2001	2002	2003	2004	2005
Very confident	12%	6%	12%	22%	14%	18%	19%	16%	20%
Somewhat confident	32	28	35	40	49	38	44	37	42
Not too confident	32	36	39	23	16	26	26	31	24
Not at all confident	14	20	11	7	13	16	8	11	9

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2005 Retirement Confidence Surveys.