

**2006 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's retirement age is limited.*

**Confidence in Social Security**

- Two-thirds of 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 (67 percent) (Figure 1). While skepticism about Social Security has remained relatively constant in recent years, it is lower than in 1996, when 78 percent were not too or not all confident.

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, 1994–2006**

	1994	1996	1998	2001	2002	2003	2004	2005	2006
Very confident	4%	3%	6%	8%	6%	7%	7%	8%	6%
Somewhat confident	18	17	16	26	25	26	28	23	27
Not too confident	38	40	31	33	38	35	31	33	33
Not at all confident	39	38	44	32	30	31	32	35	34

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994–2006 Retirement Confidence Surveys.

- Perhaps because they are already receiving benefits and the Trust Fund depletion date is beyond most current retirees' life expectancy, retirees are more likely than workers to express confidence about the future of Social Security (Figure 2). A little more than one-third of retirees are *not too* or *not at all* confident that Social Security will continue to provide benefits of at least equal value (35 percent). Retiree uncertainty about Social Security reached a low in 2001 (27 percent), but has remained statistically stable since 2004. Retirees also continue to be less likely than in 1996 (46 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, 1994–2006**

	1994	1996	1998	2001	2002	2003	2004	2005	2006
Very confident	16%	7%	19%	28%	27%	27%	18%	21%	19%
Somewhat confident	35	36	34	38	31	36	39	37	44
Not too confident	30	36	31	20	30	22	26	26	22
Not at all confident	10	11	11	7	8	11	11	12	13

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994–2006 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 (Figure 3).
- Half expect to reach eligibility for unreduced benefits sooner than they actually will (49 percent). Many of these incorrectly expect to be eligible for these retirement benefits at age 65 (31 percent of all workers), but some believe they will be eligible even before age 65 (17 percent).
- Only 19 percent are able to give the correct age at which they will be eligible for unreduced retirement benefits, and 8 percent believe they will be eligible later than they actually will be. More than 2 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 (22 percent).
- Older workers, especially those age 55 and older, 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	16%	17%	13%	16%	18%
1–3 years earlier	33	31	38	36	26
Correct	19	6	18	20	40
Later	8	7	9	8	5
Don't know	22	38	20	16	9
Never/Not eligible	2	<0.5	2	4	1

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2006 Retirement Confidence Survey.

### Confidence in Medicare

- Although the financial difficulties threatening Medicare are more imminent than those facing Social Security, workers are just as likely to feel uncertain about its future (Figure 4). Nearly two-thirds of 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 (64 percent). Again, this proportion has not changed in recent years, and is considerably below the level measured in 1996 (75 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, 1994–2006**

	1994	1996	1998	2001	2002	2003	2004	2005	2006
Very confident	3%	3%	4%	7%	5%	5%	6%	7%	5%
Somewhat confident	24	20	24	32	28	34	31	30	29
Not too confident	32	38	34	31	40	36	35	33	36
Not at all confident	37	37	36	26	26	25	26	28	28

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994–2006 Retirement Confidence Surveys.

- One-third of retirees say they are *not too* or *not at all* confident in the future value of Medicare benefits (36 percent) (Figure 5). While percentages fluctuate from year to year, retirees in recent years have generally been less likely than in 1998 and earlier to express doubts about the ability of Medicare to continue paying benefits of at least equal value to those received by current retirees (50 percent in 1998).

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, 1994–2006**

	1994	1996	1998	2001	2002	2003	2004	2005	2006
Very confident	13%	5%	12%	14%	18%	19%	16%	20%	12%
Somewhat confident	30	35	35	49	38	44	37	42	50
Not too confident	26	35	39	16	26	26	31	24	26
Not at all confident	21	16	11	13	16	8	11	9	10

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1994–2006 Retirement Confidence Surveys.

### Knowledge of Medicare

- A majority of Americans know who runs the Medicare system, but some appear to be confused. Two-thirds of workers (67 percent) and three-quarters of retirees (75 percent) correctly name the federal government when asked to identify the organization that runs the Medicare system (Figure 6).
- However, 2 in 10 workers (20 percent) and 8 percent of retirees identify the state government, while smaller percentages specify private health insurance companies (6 percent of workers, 3 percent of retirees). In addition, 10 percent of workers and 14 percent of retirees say they do not know who runs Medicare.

Figure 6  
**Worker and Retiree Knowledge of Organization Running Medicare**  
(multiple responses accepted)

	Workers	Retirees
The federal government	67%	75%
The state government	20	8
Private health insurance companies	6	3
Other	<0.5	1
Don't know	10	14

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2006 Retirement Confidence Survey.