

2007 RCS FACT SHEET

ATTITUDES ABOUT SOCIAL SECURITY AND MEDICARE

Confidence in Social Security and Medicare appears weak but higher than it was 10 years ago. 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 (68 percent) (Figure 1). While skepticism about Social Security has remained relatively constant in recent years, it is lower than in 1997, when 75 percent were not too or not at 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, 1993–2007

	1993	1997	2000	2002	2003	2004	2005	2006	2007
Very confident	4%	5%	7%	6%	7%	7%	8%	6%	7%
Somewhat confident	19	17	21	25	26	28	23	27	24
Not too confident	41	36	39	38	35	31	33	33	34
Not at all confident	33	39	33	30	31	32	35	34	34

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2007 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 has remained statistically stable in recent years.

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, 1993–2007

	1993	1997	2000	2002	2003	2004	2005	2006	2007
Very confident	14%	14%	26%	27%	27%	18%	21%	19%	17%
Somewhat confident	36	34	33	31	36	39	37	44	43
Not too confident	34	33	27	30	22	26	26	22	18
Not at all confident	11	9	9	8	11	11	12	13	18

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2007 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 phase 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 (51 percent). Many of these incorrectly expect to be eligible for these retirement benefits at age 65 (30 percent of all workers), but some believe they will be eligible even before age 65 (21 percent).
- Only 19 percent are able to give the correct age at which they will be eligible for unreduced retirement benefits, and 7 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.
- 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 45–55	Ages 55+
4 or more years earlier	19%	23%	18%	17%	19%
1–3 years earlier	32	24	36	38	24
Correct	19	10	14	19	42
Later	7	5	8	8	7
Don’t know	20	35	22	15	6
Never/Not eligible	2	3	1	2	1

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2007 Retirement Confidence Survey.

- Possibly explaining some of younger workers’ lack of knowledge about the age at which they can receive Social Security retirement benefits without a reduction for early retirement, workers ages 25–34 are less likely than are older workers to remember having received a statement from the Social Security Administration in the past 12 months, explaining how much money they can expect to receive from Social Security in retirement (Figure 4).

Figure 4
**Worker Recall of Receiving a Statement From
 Social Security Administration in the Past Year**

	All Workers	Ages 25–34	Ages 35–44	Ages 45–55	Ages 55+
Yes, received a statement	76%	65%	77%	81%	79%
No, did not receive a statement	22	31	21	16	19
Don’t know	3	4	2	3	2

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2007 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 Medicare’s future (Figure 5). Six 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 levels measured in 1997 (72 percent) and earlier.

Figure 5

Worker Confidence That the Medicare System Will Continue to Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1993–2007

	1993	1997	2000	2002	2003	2004	2005	2006	2007
Very confident	3%	3%	6%	5%	5%	6%	7%	5%	6%
Somewhat confident	21	21	29	28	34	31	30	29	30
Not too confident	43	37	38	40	36	35	33	36	33
Not at all confident	30	34	27	26	25	26	28	28	28

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2007 Retirement Confidence Surveys.

- One-third of retirees say they are not too or not at all confident in the future value of Medicare benefits (35 percent) (Figure 6). While percentages fluctuate some from year to year, retirees from 2000 on have generally been less likely than in earlier years to express doubts about the ability of Medicare to continue paying benefits of at least equal value to those received by current retirees.

Figure 6

Retiree Confidence That the Medicare System Will Continue to Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1993–2007

	1993	1997	2000	2002	2003	2004	2005	2006	2007
Very confident	12%	10%	22%	18%	19%	16%	20%	12%	15%
Somewhat confident	32	31	40	38	44	37	42	50	44
Not too confident	32	34	23	26	26	31	24	26	22
Not at all confident	14	17	7	16	8	11	9	10	13

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1993–2007 Retirement Confidence Surveys.