In 2014, confidence about having enough money to live comfortably in retirement increased for both workers and retirees. How might this increased confidence be influenced by perceptions of the sustainability of current social insurance programs like Social Security and Medicare? To what extent are workers planning to rely on Social Security in retirement, and how does that compare with the experience of current retirees?

Confidence in Social Security Benefits

Eight percent of workers are very confident and 24 percent are somewhat confident that Social Security will continue to provide benefits of at least equal value to the benefits retirees receive today. The percentage very confident has increased from 5 percent in last year’s RCS. Nevertheless, 35 percent of workers are not at all confident that future Social Security benefits will match or exceed the value of today’s benefits (Figure 1).

Retirees are more likely than workers to express confidence about the sustainability of current benefits from Social Security, with 14 percent very confident and 38 percent somewhat confident. Confidence levels remained stable over the past year, after an uptick in 2012 in which 21 percent of retirees reported being very confident. Forty-seven percent of retirees are not too or not at all confident that Social Security will continue to provide benefits of at least equal value (Figure 2).
Social Security as an Expected Retirement Income Source
Today’s workers are less likely to expect Social Security to be a source of income in retirement (79 percent) than today’s retirees are to report having Social Security income (89 percent) (Figures 3 and 4).
Workers are also almost half as likely to expect Social Security to provide a major share of their income in retirement (33 percent) as retirees are to say Social Security makes up a major share of their income (62 percent). Compared with 2013, however, there are fewer retirees reporting Social Security as a major income source.

**Confidence in Current Medicare Benefit Levels**

Workers and retirees are both slightly more confident in the continuation of current Medicare benefit levels in comparison with 2013. Thirty-nine percent of workers and 51 percent of retirees are either very or somewhat confident that Medicare will continue to provide benefits of at least equal value to the benefits retirees receive today (Figure 5 and 6).

Despite this uptick, though, most workers remain pessimistic. Sixty percent of workers are not too or not at all confident in the future value of Medicare.

Worker confidence about the future value of Medicare benefits is higher among those age 45 and older, and retirees are more likely than workers overall to be confident.
Figure 5
Worker Confidence That Medicare Will Continue to Provide Benefits of at Least Equal Value to Benefits Received Today

How confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today? (2014 Workers planning to retire n=911)


Figure 6
Retiree Confidence That Medicare Will Continue to Provide Benefits of at Least Equal Value to Benefits Received Today

How confident are you that the Medicare system will continue to provide benefits of at least equal value to the benefits received by retirees today? (2014 Retirees n=501)