

## 2009 RCS FACT SHEET

### ATTITUDES ABOUT SOCIAL SECURITY AND MEDICARE

*Worker and retiree confidence in the value of future benefits from Social Security and Medicare appears weaker than in some recent years. Nevertheless, most are counting on receiving at least some income from Social Security when they retire.*

#### Confidence in Social Security

- Sixty-seven percent 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. Skepticism about Social Security has fluctuated slightly, but remained at about the same level over the past five years. It remains below the level measured in 1994, when 77 percent of workers were not confident that benefit levels would be preserved (Figure 1).

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, 1992–2009

	1992	1994	1999	2004	2005	2006	2007	2008	2009
Very confident	3%	4%	7%	7%	8%	6%	7%	5%	6%
Somewhat confident	27	18	21	28	23	27	24	21	26
Not too confident	44	38	38	31	33	33	34	34	28
Not at all confident	24	39	33	32	35	34	34	37	39

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2009 Retirement Confidence Surveys.

#### Confidence in Social Security:

- 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).
- However, 41 percent are *not too* or *not at all* confident that Social Security will continue to provide benefits of at least equal value. While retiree uncertainty about Social Security is lower than it was in 2008 (47 percent), the percentage of retirees who are *not at all* confident remains higher than levels measured in the last 1990s and early 2000s (Figure 2).

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, 1992–2009

	1992	1994	1999	2004	2005	2006	2007	2008	2009
Very confident	13%	16%	17%	18%	21%	19%	17%	14%	13%
Somewhat confident	33	35	34	39	37	44	43	36	43
Not too confident	35	30	33	26	26	22	18	31	24
Not at all confident	15	10	12	11	12	13	18	16	17

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2009 Retirement Confidence Surveys.

### Expected Retirement Income from Social Security

- Today's workers are less likely to expect Social Security income in retirement (81 percent total *major* and *minor* source of income) than today's retirees are to report having Social Security income (92 percent total; Figure 3).
- Workers are also half as likely to expect Social Security to provide a *major* share of their income in retirement (32 percent) as retirees are to say Social Security makes up a *major* share of their income (68 percent) (Figure 3). However, EBRI research found in 2007 that 60 percent of those 65 or older received at least 75 percent of their income from Social Security. (See *EBRI Databook on Employee Benefits*, Chapt. 7, [www.ebri.org/pdf/publications/books/databook/DB.Chapter%2007.pdf](http://www.ebri.org/pdf/publications/books/databook/DB.Chapter%2007.pdf))

Figure 3

#### Worker Expectation of and Retiree Receipt of Social Security Income in Retirement

	All Workers	All Retirees
Major source	32%	68%
Minor source	49	24
Not a source	18	8

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

#### *Expecting Social Security Income in Retirement:*

- Workers who are closer to retirement are more likely to expect Social Security income in retirement than are younger workers (Figure 4).

Figure 4

#### Percentage of Workers Expecting Social Security Income in Retirement, by Age Group

	All Workers	Ages 25–34	Ages 35–44	Ages 45–55	Ages 55+
Major source	32%	25%	29%	32%	50%
Minor source	49	48	52	50	44
Not a source	18	27	17	17	4

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 Retirement Confidence Survey.

- Reflecting the graduated nature of Social Security payments, workers currently earning less income correctly expect Social Security to comprise a larger proportion of their income in retirement (Figure 5).

Figure 5

#### Percentage of Workers Expecting Social Security Income in Retirement, by Household Income

	All Workers	Less than \$35,000	\$35,000 to \$74,999	\$75,000 or more
Major source	32%	49%	32%	17%
Minor source	49	38	48	61
Not a source	18	12	19	20

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2009 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. However, 61 percent of workers are still *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. This proportion has not changed in recent years, and is below the levels measured in the 1990s (Figure 6).

Figure 6

#### Worker Confidence That the Medicare System Will Continue to Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1992–2009

	1992	1994	1999	2004	2005	2006	2007	2008	2009
Very confident	1%	3%	7%	6%	7%	5%	6%	4%	5%
Somewhat confident	26	24	24	31	30	29	30	30	33
Not too confident	45	32	38	35	33	36	33	35	35
Not at all confident	25	37	30	26	28	28	28	29	26

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2009 Retirement Confidence Surveys.

#### *Will Future Benefits Be Equal to Today's?*

- Thirty-nine percent of retirees say they are *not too* or *not at all* confident in the future value of Medicare benefits, a slight decline from 2008 (45 percent) (Figure 7).

Figure 7

#### Retiree Confidence That the Medicare System Will Continue to Provide Benefits of at Least Equal Value to the Benefits Received by Retirees Today, 1992–2009

	1992	1994	1999	2004	2005	2006	2007	2008	2009
Very confident	10%	13%	12%	16%	20%	12%	15%	8%	9%
Somewhat confident	28	30	39	37	42	50	44	44	50
Not too confident	39	26	36	31	24	26	22	32	26
Not at all confident	17	21	12	11	9	10	13	13	13

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2009 Retirement Confidence Surveys.