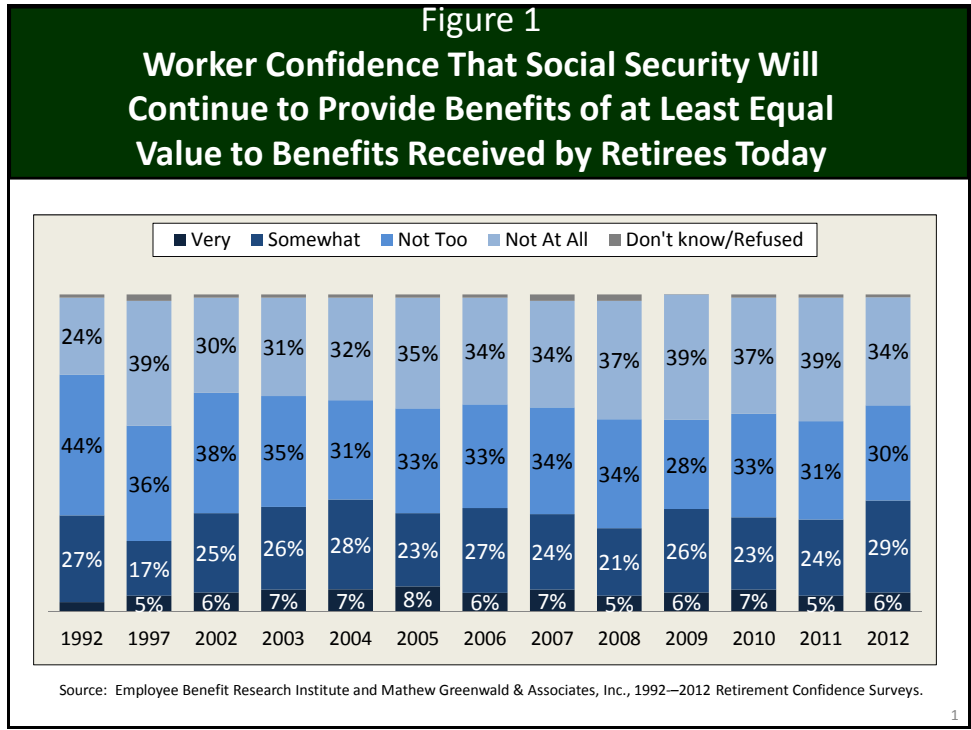


ATTITUDES ABOUT SOCIAL SECURITY AND MEDICARE

While worker confidence in the value of future benefits from Social Security and Medicare has remained relatively stable, retiree confidence in the value of future program benefits has gradually eroded over time. Nevertheless, Social Security remains a major source of income for many retirees and most workers are counting on receiving at least some income from Social Security when they retire.

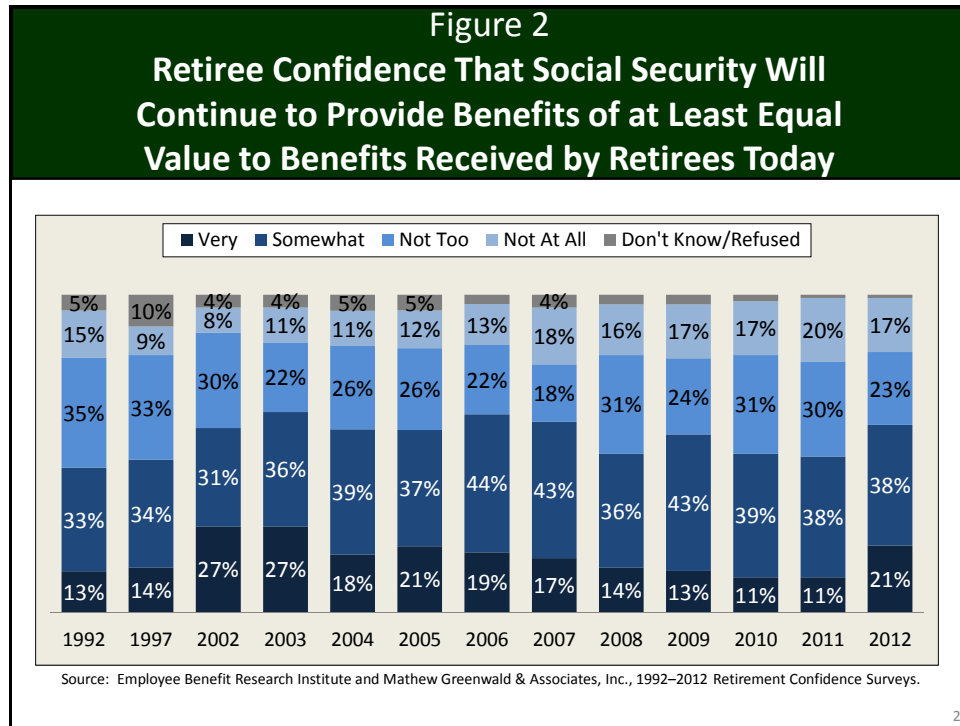
Confidence in Social Security

Sixty-four percent of workers are not too or not at all confident that Social Security will continue to provide benefits of at least equal valued to the benefits retirees receive today. While lower than the level of skepticism about Social Security measured in 2011 (70 percent), it is roughly equivalent to the levels measured between 2002 and 2007 (Figure 1).



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. After a slow decline over the past decade, the share of retirees very confident about future benefits from Social Security has increased to 21 percent (up from 11 percent in 2011) (Figure 2, next page).

Thirty-nine percent of retirees are not too or not at all confident that Social Security will continue to provide benefits of at least equal value.



Expected Retirement Income From Social Security

Today’s workers are less likely to expect Social Security income in retirement (79 percent) than today’s retirees are to report having Social Security income (91 percent).

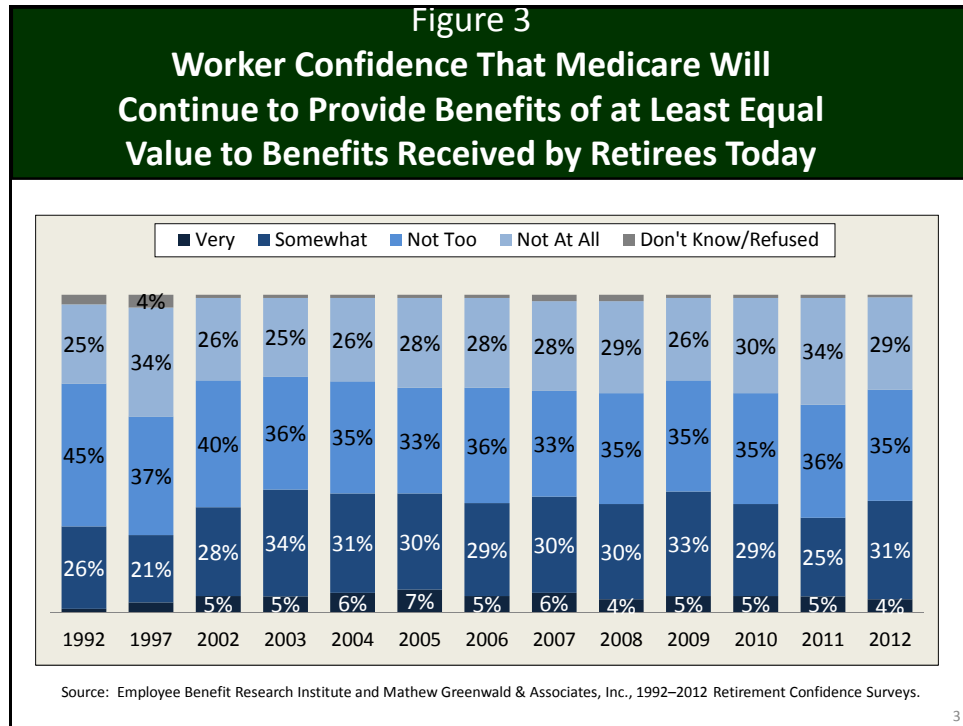
Workers are also half as likely to expect Social Security to provide a major share of their income in retirement (31 percent) as retirees are to say Social Security makes up a major share of their income (69 percent). However, EBRI research found in 2009 that 60 percent of those 65 or older received 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).

Workers who are closer to retirement are more likely to expect Social Security to be a source of income in retirement than are younger workers (89 percent of workers age 55 and older vs. 65 percent ages 25-34).

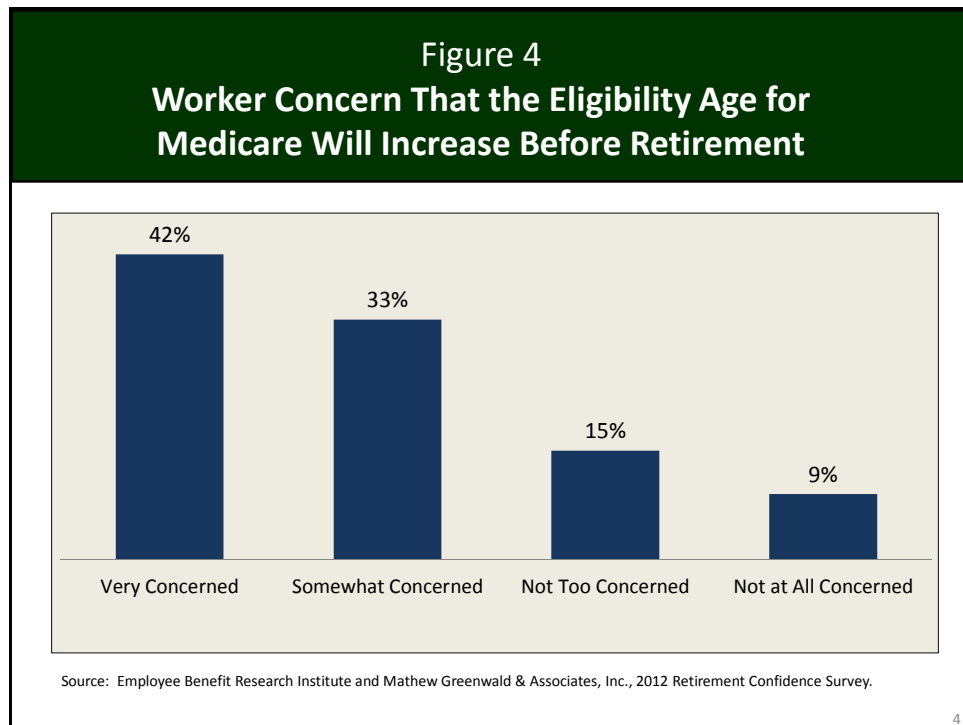
Reflecting the graduated nature of Social Security payments, workers currently earning less income correctly expect Social Security to comprise a larger proportion of their income in retirement. Forty-one percent of workers with income under \$35,000 expect Social Security to be a major source of income, compared with 17 percent of those with income of at least \$75,000.

Confidence in Medicare

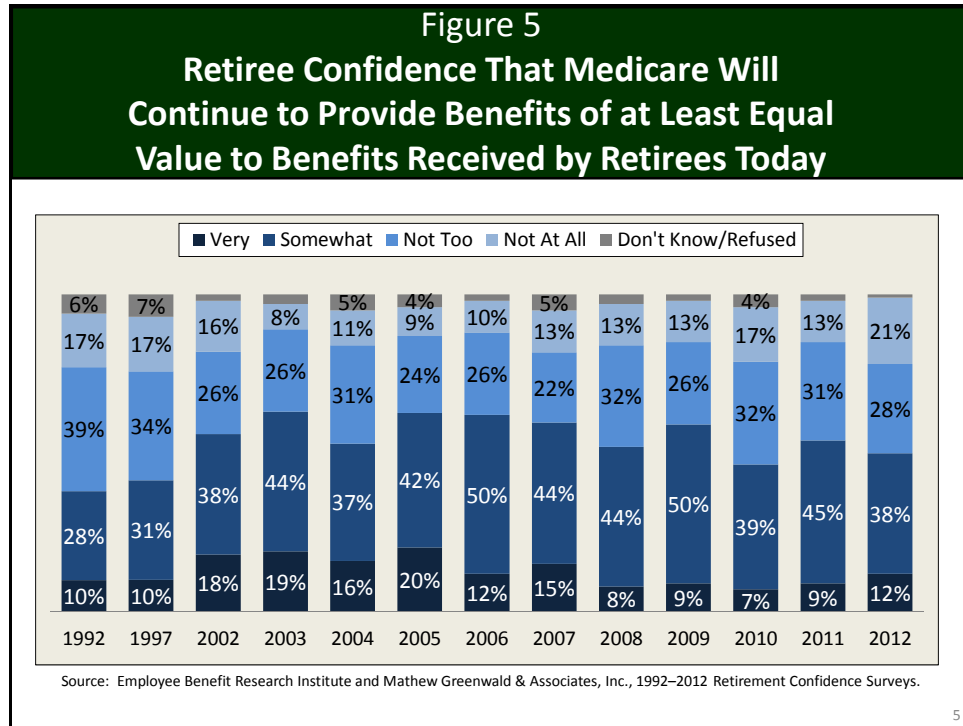
Workers are as likely to feel uncertain about Medicare’s future. Sixty-four percent of workers are not too or not at all confident that Medicare will continue to provide benefits of at least equal value to the benefits retirees receive today, a decrease from the 70 percent of workers who lacked confidence in the 2011 RCS. The percentage very confident remains stable at 4 percent (Figure 3, next page).



Three-quarters of workers report they are very (42 percent) or somewhat (33 percent) concerned that the eligibility age for Medicare will increase before they retire (Figure 4).



Forty-nine percent of retirees say they are not too or not at all confident in the future value of Medicare benefits, statistically equivalent to the percentages measured in 2010 (49 percent) and 2011 (44 percent). The percentage of retirees reporting they are very confident (12 percent) remains well below the most recent high observed in 2005 (20 percent) (Figure 5).



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