

2008 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 the recent past. Nevertheless, most are counting on receiving at least some income from Social Security when they retire.

Confidence in Social Security

- Seventy-one 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 gradually increased over the past five years, but remains below the level measured in 1998 when 75 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, 1992–2008

	1992	1993	1998	2003	2004	2005	2006	2007	2008
Very confident	3%	4%	6%	7%	7%	8%	6%	7%	5%
Somewhat confident	27	19	16	26	28	23	27	24	21
Not too confident	44	41	31	35	31	33	33	34	34
Not at all confident	24	33	44	31	32	35	34	34	37

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2008 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, 47 percent are *not too* or *not at all* confident that Social Security will continue to provide benefits of at least equal value. Retiree uncertainty about Social Security is equivalent to levels measured in the mid 1990s and is significantly higher than it has been in recent years (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, 1992–2008

	1992	1993	1998	2003	2004	2005	2006	2007	2008
Very confident	13%	14%	19%	27%	18%	21%	19%	17%	14%
Somewhat confident	33	36	34	36	39	37	44	43	36
Not too confident	35	34	31	22	26	26	22	18	31
Not at all confident	15	6	11	11	11	12	13	18	16

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2008 Retirement Confidence Surveys.®

Expected Retirement Income from Social Security

- Today’s workers are less likely to expect Social Security income in retirement (80 percent total *major* and *minor* source of income) than today’s retirees are to report having Social Security income (94 percent total; Figure 3).
- 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 (66 percent) (Figure 3). However, EBRI research has found that 60 percent of those 65 or older have at least 70 percent of their income from Social Security.

Figure 3
Worker Expectation of and Retiree Receipt of Social Security Income in Retirement

	All Workers	All Retirees
Major source	31%	66%
Minor source	49	27
Not a source	19	6

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 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	31%	19%	29%	33%	45%
Minor source	49	48	49	50	49
Not a source	19	32	21	15	3

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 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	31%	59%	28%	16%
Minor source	49	27	53	56
Not a source	19	12	18	27

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 2008 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, 64 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 level measured in 1998 (70 percent) (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, 1992–2008

	1992	1993	1998	2003	2004	2005	2006	2007	2008
Very confident	1%	3%	4%	5%	6%	7%	5%	6%	4%
Somewhat confident	26	21	24	34	31	30	29	30	30
Not too confident	45	43	34	36	35	33	36	33	35
Not at all confident	25	30	36	25	26	28	28	28	29

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2008 Retirement Confidence Surveys.®

Will Future Benefits Be Equal to Today’s?

- Retirees are less confident in the Medicare system than they have been in recent years. Forty-five percent of retirees say they are *not too* or *not at all* confident in the future value of Medicare benefits, the highest level of doubt displayed since 2004 (43 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, 1992–2008

	1992	1993	1998	2003	2004	2005	2006	2007	2008
Very confident	10%	12%	12%	19%	16%	20%	12%	15%	8%
Somewhat confident	28	32	35	44	37	42	50	44	44
Not too confident	39	32	39	26	31	24	26	22	32
Not at all confident	17	14	11	8	11	9	10	13	13

Source: Employee Benefit Research Institute and Mathew Greenwald & Associates, Inc., 1992–2008 Retirement Confidence Surveys.®