

Assessing Assumptions about Americans' Attitudes Toward Social Security:

Popular Claims Meet Hard Data

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Abstract

Proponents of divergent proposals for reforming Social Security often rest their claims on a set of working hypotheses about public opinion. First, they often build their case for change on claims about low and precipitously declining public confidence in the future of Social Security; the implication is that the public is losing faith in the program and dramatic steps are necessary to avoid a complete collapse of confidence. Second, they claim that the low and rapidly eroding confidence in Social Security will produce a decline in public support for Social Security; reform is necessary to protect public support for Social Security. Third, they argue that the low and declining levels of confidence are creating a new openness among Americans for privatization – the option for individuals to invest some portion of their Social Security contributions in the stock and bond market. We test these claims using the results of an exhaustive review of hundreds of separate public opinion survey items, paying particular attention to survey items that were worded in an identical or similar manner over a long period of time. The review demonstrates that the three working hypotheses are either false or substantially overstated:

*The often-cited finding that young people are more likely to believe in UFOs than to believe they will get Social Security when they retire was based on a misleading survey and was discredited by later surveys. Further, overall public confidence in 2000 rose by 15 percentage points from the time of the last survey in 1998 and is higher than it has been in a decade.

*Public support for Social Security is high and has been stable for years in survey after survey. Even in periods when confidence in the future of Social Security was low, support was high. In the language of social science, confidence and support do not covary.

*The public's attitudes toward Social Security reforms are not monolithic and provide a set of green, yellow, and red lights to policy makers. Support for privatization fades and then turns to opposition when respondents are confronted with thinking about the "risks" of stock and bond markets and the costs of the transition to a privatized system. However, the public appears quite supportive of creating a supplemental savings program outside of Social Security in which individuals could invest in the stock and bond market. In addition, the public supports a number of incremental reforms, including reducing benefits to the affluent and raising the base on which payroll taxes are paid, preferring tax increases over benefit reductions.

Assessing Assumptions about Americans Attitudes Toward Social Security: Popular Claims Meet Hard Data

The history of the development of Social Security has been one of incremental action. Since 1935 when Old Age Insurance was passed as a part of the Social Security Act, the program has expanded, but there have been no major departures from the original purposes of the Social Security system as reflected in the 1935 legislation and the 1939 amendments (Ball, p. 275). However, in the past few years, proposals have been made that would change the character of Social Security, and most recently, the 2000 election debate offered very different visions for the future of Social Security – one incremental, the other a fundamental change in the structure of the program. The question today is not whether to reform the program but in what ways.

Proponents of divergent proposals for reforming Social Security often rest their claims on a set of working hypotheses about the public's confidence in the program and support for current arrangements and for reforms. In particular, reform proposals tend to rest on three interrelated claims about public opinion. First, proponents of reform often build their case for change on claims about low and precipitously declining public confidence in the future of Social Security; the implication is that the public is losing faith in the program and dramatic steps are necessary to avoid a complete collapse. Second, the low and rapidly eroding confidence in Social Security will produce, reform proponents often claim, a decline in public support for Social Security; reform is necessary to protect public support for Social Security. Third, the toxic mixture of low and declining confidence in Social Security is creating a new openness among Americans

for incremental reforms and for privatization – the option for individuals to invest some portion of their Social Security contributions in the stock and bond markets.

Proponents of reforming Social Security tend to work one or more of these working hypotheses about public opinion into their arguments for their desired change. The motivation is clear: Wrapping reform proposals in favorable public opinion reassures politicians worried about voter retribution and greases the legislative skids for passage. Just as serious reform proposals are vetted by experts on program financing, proposals that rest on claims about political feasibility also require vetting by experts on public opinion. Unfortunately, working hypotheses that suggest likely public support for reforms have generally not been carefully examined despite a large and swelling warehouse of public opinion data. In the absence of this kind of independent and careful analysis of public opinion, reform proponents are given a veritable free pass to make assertions about public opinion without the kind of careful scrutiny that would accompany claims about finance and program design. The result is a kind of wild west in which dueling sets of reformers selectively pick poll questions that mesh with their own views, take findings out of context, and repeat claims about public opinion that are inaccurate (Cook, Barabas, and Page, 2000; Jacobs and Shapiro, 1998a, 1998b, and 2000).

Claims about public opinion toward Social Security require careful and independent evaluation. We should pay particular attention to survey items that were worded in an identical or similar manner over a long period of time. As survey researchers know, poll results are very sensitive to the question wording; the way a question is formulated can affect how people respond to it. Examining similarly worded

questions from several surveys allows us to identify real trends and patterns in public opinion. By following these practices, we will avoid excessively generalizing from any one survey results and draw conclusions about opinion trends only if they are based on repetitions over time of identical survey questions.

We present the results of an exhaustive review of hundreds of separate public opinion survey items. This review demonstrates that the three working hypotheses of policy makers are either false or substantially overstated. These findings should elicit the same disquiet that greets evidence that reform proposals contain significantly flawed financial or program assumptions. The consequence of policy makers taking actions on the basis of inaccurate assumptions about public opinion could undermine (rather than bolster) public confidence and support for the Social Security system.

Working Hypothesis #1: Confidence in Social Security is low and declining

The first working hypothesis that reformers often work into their case for altering the Social Security program is that the public's confidence in the future of the program is low and precipitously declining; the public is losing faith in the program, they assert, and dramatic steps are necessary to avoid a crisis of confidence in the program. The poster-child for this claim is a Third Millennium poll (conducted by the Luntz Research Company) that purports to show that young people are more likely to believe in UFOs than to believe that Social Security will be there for them when they retire. For example, in a hearing on reform options for Social Security, Congressman Charles Grassley (R-IA) said, "I have heard it said that young people think that they are more likely to see a UFO in their lifetime than be able to retire on Social Security" (August 27, 1997). Senator Ron Wyden (D-OR) told the story with even more dramatic flair: "We all know we have a

demographic tsunami coming, 75 million baby boomers. At home, I can tell you, more of the young people think they are going to have a date with an extraterrestrial than to get a Social Security check” (April 22, 1998). Some members of Congress have generalized the finding from young people to baby boomers. According to Senator John Breaux (D-LA), “There are 77 million baby boomers waiting to become retirees, beginning in the year 2010. Many of those baby boomers believe more in UFOs than they believe in the fact that Social Security will be there when they are ready to retire” (April 22, 1998).

The claims about the UFO poll are misleading, illustrating some of the more general limitations with the first working hypotheses. In 1994, the Luntz Research Company conducted a survey of 5000 18-34 year olds to get the “Generation X” perspective on Social Security. Respondents were asked, “Do you think Social Security will still exist by the time you retire?” Sixty three percent said no. Eight questions later, interviewers asked, “And one final question, and I ask you to take this seriously – Do you think UFOs exist?” Forty six percent said yes. The results show that two questions at nearly opposite ends of a survey indicate that a larger proportion of young adults aged 18 to 34 thought UFOs exist than thought Social Security would exist when they retire. However, this is not what was reported: contrary to the claims about the survey, respondents did not directly compare their belief in UFOs to their belief in Social Security and conclude that the former was more likely than the latter (as members of Congress mistakenly presumed) (Jacobs and Shapiro, 1998a, b).

The misleading conclusion from the survey by Luntz (who has been censured by the American Association of Public Opinion Research for inappropriate professional

conduct) was directly tested by the Employee Benefit Research Institute (EBRI). EBRI asked young adults aged 18 to 34 in a 1997 survey to compare beliefs about the existence of Social Security and UFOs in the same question: “Which do you have greater confidence in – receiving Social Security benefits after retirement or that alien life from outer space exists?” Asked this way, as Table 1 shows, 63 percent have greater confidence in Social Security, while 33 percent have greater confidence in the existence of alien life.

[Insert Table 1 about here]

The UFO poll illustrates the danger of presumptive claims about public opinion that are not carefully scrutinized. It is hard to imagine that a false claim about Social Security finances would have been as widely circulated by the press and touted by leading policy makers of both political parties as this claim about public opinion. As Jacobs and Shapiro (1998a) note, “the true state of public opinion on Social Security turns out to be more complicated than this popular sound bite suggests – a lot more complicatedIt has as much to do with leading (or misleading) poll questions as it does with the merits of the actual plan.”

Careful analysis of public confidence in the future of Social Security indicates that the working hypothesis of low and declining confidence is also overstated. Figure 1 displays responses to an identically worded question about confidence in the future of the Social Security system that has been fielded from 1975 to 2000.

Two points are especially important with regard to the first working hypothesis. First, in 2000 more Americans were confident in the future of Social Security than not and they were more confident than they have been in nearly a decade. Second, instead of

declining (as policy makers presume), confidence in 2000 **rose** by 15 percentage points in 2000 from its level in 1998 at the time of the previous survey. This may in part be due to the attention given to Social Security in the presidential election year in which both candidates devoted considerable attention to Social Security, and both made it clear they wanted to strengthen the program, even though their solutions were different.

[Insert Figure 1 about here]

Although confidence in the future of Social Security has recently risen and is not low in historical perspective, it is nonetheless true that only half the public is confident. No responsible policy makers can be fully satisfied with only half of Americans expressing confidence in the country's largest social welfare program. Indeed, surveys suggest that caution is not unwarranted. Table 2 shows that in four surveys from 1998 to 1999 fairly stable majorities of between 49 and 57 percent believed that Social Security was heading for "major trouble" and between 57 and 61 percent believed it needed "big changes" to "keep the Social program out of trouble in the future." Although the working hypothesis about historically low and declining confidence is overstated, responsible policy makers should nonetheless be concerned about the public's faith in the program.

The data suggest, however, four reasons that responsible policy makers should not overreact with outsized reform proposals to evidence that half of the public has low confidence, perceives "major trouble," and supports "big changes. First, "big changes" is an ambiguous term and is open to divergent interpretations by policy makers and the public. By way of comparison, Bill Clinton attempted his overhaul of the health care system in the first half of the 1990s when 9 out of 10 Americans favored "major changes" or a "complete rebuilding" of the health care system (Jacobs and Shapiro, 2000). The

proportion of Americans in favor of “big changes” for Social Security is substantially lower. Policy makers would be well advised not to overinterpret the public appetite for changing the structure of the program.

Second, Table 2 also shows that the public sees “major trouble” but has not panicked into the conclusion that the system is collapsing. Only a third believe that if no changes occur, Social Security will “run out of money altogether.” In a separate May 1999 survey by Peter Hart Research Associates, only a third of young adults 18 to 34 thought that Social Security would “not be paying benefits at all” when they reached retirement age (45 percent thought the program would pay benefits but “less than now” and 15 percent believe it would pay the same level of benefits).¹ Third, the public’s concerns tend to mirror the information and arguments made by elites: the reasons that the public offers for upcoming trouble reflect the divergence of debate among policy makers over whether Social Security’s financial troubles principally stem from government expenditure of its reserves (i.e. the public’s top choice is in line with charges that the program represents a “ponzi scheme” or that it would be better served with a “fully funded” system without the burden of large liability) and from more retirees than workers (though demographers emphasize that the dependency ratio of workers to all dependents – children as well as retirees was higher in the 1960s than in the coming decades). The public’s concerns are, in part, the making of a divided elite.

[Insert Table 2 about here]

Fourth, confidence in Social Security is a function of confidence in government in general and press reporting. Changes in Social Security confidence broadly parallel

fluctuations in public confidence toward the government as a whole, which fell during the second half of the 1970s, rose in the early 1980s, declined in the mid-1980s before rising again during the late 1990s. Moreover, Social Security confidence is also influenced by fluctuations in press coverage, which tends to highlight problems with the program (Jacobs and Shapiro, 1995; Jacobs, Watts, and Shapiro, 1995). For instance, the dip in 1998 corresponds with the increased attention that policy makers and journalists devoted to reforming the program (Cook and Jacobs, 1998). When the press increases its coverage, the flow of negative information about Social Security that reaches the public also rises. The point, then, is that confidence in Social Security may, in part, reflect influences on the public that are not directly related to the program itself.

In short, the first working hypothesis – that confidence is low and rapidly eroding and requires dramatic steps to reverse – is not supported by public opinion data. Instead, more Americans are confident in the system than not in 2000, confidence is rising, and the public – while clearly concerned about the program – has not panicked.

Working Hypothesis #2: Support for Social Security is Weakening

The second working hypothesis that figures prominently in arguments for reforming Social Security is that low and rapidly declining confidence in Social Security will produce a decrease in public support for Social Security: As confidence declines, support is also expected to drop. Reformers, then, don the mantle of Social Security protector by claiming that reform is necessary to protect and rebuild what had been strong public support for the program.

¹ The survey was conducted for the 2030 Center and interviewed 403 18-34 year olds May 17-24, 1999. Respondents were asked: “When you reach retirement age, do you think that Social Security will be paying the same level of benefits as it pays now, paying less than now, or will it not be paying benefits at all?”

Here we have a popular hypothesis that is utterly lacking evidence. This is **not** a case of competing sets of evidence, with contending sets of reformers choosing among them; the evidence is uniform, clear, and not disputed.

The public opinion data demonstrate two points. First, a large and somewhat diverse body of data indicates unusually strong and stable public support for Social Security. Figure 2 shows the results of surveys conducted by the National Opinion Research Center from 1984 to 2000 that asked large nationally representative samples of respondents if “we spending too much, too little, or about the right amount on Social Security?” Public support – defined as those who say we are spending too little or about the right amount – is remarkably high and unchanging. For 13 years, 89 percent or more of the general public supported Social Security and the trend hardly varied.

[Insert Figure 2 about here]

The University of Michigan’s National Election Studies (NES) asked a similar question about whether spending on Social Security should be increased, decreased, or kept the same in each year of a national election between 1984 and 1996. Defining support as saying spending should be increased or kept the same, the findings from the NES surveys tell the same story as the NORC data in Figure 2: the public is overwhelmingly supportive with more than 90 percent favoring maintaining or increasing spending.

The Gallup Organization conducted the final series of surveys that examined support for Social Security over time for the Chicago Council of Foreign Relations (Rielly, 1999). Every four years between 1982 and 1998, Gallup has asked respondents whether the Social Security program should be “cut back,” “expanded,” or “kept about

the same.” The results are remarkably consistent with the results from NORC and NES: once again, a very consistent 9 in 10 Americans believed that Social Security should be “expanded” or “kept about the same.”

Large and diverse bodies of data show that public support for the present Social Security program is strong and has been stable across many years. Public support is sufficiently unambiguous that both Social Security critics and supporters readily acknowledge it. A spokesman from the Cato Institute, an organization that is highly critical of Social Security, acknowledged, “No one should doubt the continued popularity of Social Security. Our poll results clearly showed that Social Security remains one of the most popular of all government programs, with two-thirds of those polled holding a favorable view of the program” (Tanner, September 24 1996). From a diametrically opposite end of the spectrum, Bob Ball (a former Social Security commissioner and a strong supporter of the program) also highlighted public support: “Whenever Social Security’s long term stability has been threatened by circumstances warranting a legislative response, strong public support has encouraged political leaders to seek bipartisan solutions that build on Social Security’s inherent strengths” (Ball, March 6, 1997).

The second point is that public support is not related to public confidence; the presumption that low confidence in Social Security's future erodes support for Social Security lacks support. Comparing Figure 1 (confidence) and Figure 2 (public support) shows that neither low confidence nor downward shifts in confidence consistently coincide with declining support. Confidence rose from 1984 to 1988 with no appreciable

change in support for the program; the decline in confidence from 1992 to 1996 was correlated with no statistically significant drop in support.

The working hypothesis that the public's backing for Social Security is eroding under the strain of low and declining confidence is simply not supported by available evidence. In the language of social science, confidence and support do not seem to covary.

Working Hypothesis #3: Growing Public Support for Privatization and Incremental Reform

The third working hypothesis that creeps into claims about Social Security is that low and declining levels of confidence in Social Security is creating a groundswell among Americans for incremental reforms and for privatization. The evidence once again provides little corroboration for what policy makers assume about public opinion.

a. Public Ambivalence and Opposition toward Privatization

Policy makers regularly invoke public opinion to substantiate their case for privatization. Between January 1993 and December 1999, Congress held 40 hearings that focussed at least in part on the privatization of Social Security. At these hearings, a number of commentators claimed that the public supports privatization or partial privatization of Social Security. Senator Chuck Hagel (R-NE) argued, “Personal retirement accounts would harness the power of private markets and compound interest, giving individuals ownership of their retirement savings. **Americans want more power, more choice, more responsibility in deciding their own future and economic well being.** It’s their money” (Hagel, April 22, 1998, emphasis added). When one think tank expert was asked if the public was really “ready” for privatization, he answered

enthusiastically, “Absolutely! There’s not the slightest doubt in my mind that they are” (Glassman, July 24, 1998).

The public is, at best, ambivalent toward Social Security privatization; survey data based on balanced questions find solid opposition. This is evident in two patterns. First, when not reminded of the risks associated with equity investments or with the costs of transitioning to a privatized system, the public supports partial privatization (namely, being able to invest a portion of their Social Security taxes into a personal retirement account) and opposes both full privatization and government investment of contributions in equities.

Public support for partial privatization in the abstract is clear. Table 3 shows that public support emerges from 19 separate poll items over the past 5 years. The wordings of the questions vary quite widely; they vary from Yankelovich’s simple query (“Do you favor or oppose allowing Americans to put a portion of their Social Security taxes into a personal savings account to be used for retirement”) to the long and multipart question posed by the Cato Institute. (The wordings are included in Table 3.) These differences in question wording account for some of the variations in the results presented in Table 3. But even allowing for variations owing to different wordings, a majority of Americans support the option of investing a portion of their Social Security taxes in stocks and bonds: from 51 to 80 percent of respondents backed partial privatization, with opposition never reaching 40 percent.

[Insert Table 3 about here]

Table 4 offers more direct support that, in the abstract, Americans prefer partial privatization to government investment in equity markets or full privatization. Four

surveys conducted between August 1998 and May 1999 showed that in response to separate questions American opposed government investment (opposition ranged from 48 to 61 percent) and favored partial privatization (support ranged from 52 to 65 percent). One survey in March 1999 found that full privatization was opposed by 57 percent of respondents (42 favored it).

[Insert Table 4 about here]

The second pattern, however, suggests that Americans' support for privatization fades and then turns to opposition when respondents are reminded of the "risks" of stock and bond markets and the costs of the transition to a privatized system – including increased taxes. A series of questions revealed that the majorities favoring privatization in Table 3 narrows when respondents are informed of additional taxation to pay for the transition costs. For instance, a 1997 *Los Angeles Times* survey found that majority support for partial privatization dimmed to a narrow 49 to 44 margin when respondents were alerted that a "new 1.6% payroll tax would be imposed."² Sixty-one percent in January 1997 NBC/*Wall Street Journal* survey concluded that the costs of privatization outweighed its benefits when informed of the transitional costs of honoring the commitments to current retirees.³

² The question was "As you may know, government experts say that because the baby boom generation is so large, Social Security will begin to run out of money when those who are in their forties and fifties retire. To solve that problem a federal advisory committee has come up with three different proposals to keep the retirement fund solvent. Would you please tell me whether you favor or oppose each of those plans. Under a third plan, the current Social Security system would be kept intact, but in addition, there would be a compulsory individual savings account with funds that would be automatically deducted from workers' salaries. With these savings accounts, individuals could invest as they wish to supplement their retirement benefits. Under this plan, a new 1.6 percent payroll tax would be imposed. Do you favor or oppose this plan?"

³ The question asks: "This proposal to allow people to invest Social Security contributions in the stock market also includes an increase in the payroll tax for current employees, as well as an increase in the federal deficit, so that benefits to current retirees also can be maintained. Do you think the benefits of allowing people to invest Social Security contributions in the stock market outweigh these costs of higher

The most accurate test of public sentiment toward privatization are “balanced frame” questions that offer respondents both a strong positive case for the reform (greater returns) and a strong negative case (greater risks of losing money). Table 5 presents 4 sets of results from surveys by Yankelovich Partners and Hart and Teeter (for the *Wall Street Journal* and NBC). The results present the most direct challenge to the presumption of public support for privatization: between 51 and 63 percent of Americans oppose privatization when offered a balanced choice.

[Insert Table 5 about here]

The public’s opposition to privatization (when offered fuller information) is confirmed by a series of queries in a June 2000 Princeton Survey Research Associates poll, which is presented in Table 6. The first item shows the majority support for partial privatization reported earlier in Table 3: by a 51-36 margin, the public favors “allow[ing] workers to invest some of their Social Security payroll taxes in the stock market.” The survey proceeded to test the reaction of privatization supporters when they were provided with additional information. When informed that privatization might reduce benefits, a majority of those who initially favored privatization now opposed it: 57 percent opposed it compared to 33 percent who favored it. The third item found that a clear majority of 60 percent thought partial privatization was a “bad idea” when informed that it “might make more money for the fund but would involve greater risk.”

[insert Table 6 about here]

Although the public seems opposed to privatization of the existing Social Security system, they do appear quite supportive of creating a supplemental savings program

payroll taxes and deficits, or do you think the costs outweigh the benefits?" 22% believed that the benefits outweigh the cost.

outside of Social Security in which individuals could invest in the stock and bond markets. A June 2000 Princeton Survey Research Associates found that a striking two-thirds favored a “supplemental savings program that allow workers to put up to \$2,000 a year of tax-deductible savings in retirement accounts outside the Social Security system...[with the government] offer[ing] matching funds based on income level.” The public, then, is not innately hostile to investing in equity markets; they remain reluctant to commit Social Security funds to it.

Overall, the public seems to favor some form of partial privatization of Social Security in the abstract, but their support is replaced by ambivalence and then opposition, as they are informed of the costs and risks associated with it. No policy maker should wade into the thicket of Social Security reform believing he is protected against the potential of a strong public backlash. The public is supportive, though, of a private investment program that is outside Social Security.

b. Tepid Support for Incremental Changes

A range of incremental changes has been recommended to strengthen Social Security’s finances long term. Shifting the focus of reform from changing the structure of the Social Security system to making incremental adjustments in the existing system finds some but far from uniform support among Americans. Proposals for incremental changes fall into one of two categories – reducing benefits or raising taxes.

Reducing benefits. Three reforms are most often mentioned as means for reducing benefits. First, extending the age at which people are eligible for receiving full Social Security payments creates a reduction in benefits; a rough rule is that benefits are cut by 5 percent for each year added to the normal retirement age. Americans have consistently

expressed opposition to raising the normal retirement age. Since 1977, at least 19 surveys have asked Americans about their attitudes toward hiking the age of eligibility for Social Security; the consistent finding was that majorities opposed these changes (Jacobs and Shapiro, 1998b). The one exception occurred two decades ago in July 1981 when CBS-NYT asked: “To save money, would you favor or oppose increasing the age at which people were eligible to receive full Social Security from 65 to 68 if that change became effective 20 years from now?” By 50 to 42 percent, Americans favored raising the retirement age. Note the two conditions put in the question: the purpose was “to save money” and the pain was not to occur until “20 years from now.” In fact, these conditions were very close to the 1983 Social Security Amendments that have been slowly raising the age of eligibility.

The consistent pattern since 1977 of public opposition to increasing the retirement age continues to hold today. Table 7 shows that large majorities of three-quarters of Americans opposed gradually raising retirement age to 70 in 3 surveys by Princeton Survey Research Associates even if it was necessary to “kee[p] the system financially sound in the future.” One wrinkle in this persistent pattern is that the public is divided on the issue of gradually raising the *early* retirement age from 62 to 65 for partial receipt of Social Security. In particular, the public was evenly split in their support for this option in two surveys and opposed to it by a 52-43 margin in a third poll.

[Insert Table 7 about here]

The second reform to reduce benefits is to lower the cost of living adjustments (COLAs) for beneficiaries. Table 7 shows that the public opposes lowering COLAs in all

3 Princeton surveys, though the opposition weakened by 8 percentage points between August 1998 and May 1999 (from 61 percent to 53 percent).

The third reform is reducing the benefits for the affluent, defined as beneficiaries with retirement incomes over \$60,000 per year. Table 7 indicates that solid majorities of between 54 and 58 percent favored reducing the benefits of the affluent.

Raising taxes. Policymakers and journalists often assume that the American public will not tolerate tax increases to bolster Social Security. However, survey data show that this generalization is overstated; Americans – by a narrow margin – oppose increased payroll taxes but back raising the payroll base and prefer tax increases to benefit cuts.

On the one hand, the conventional wisdom of opposition for taxes to fund Social Security is corroborated by some of the evidence in Table 7. Majorities do oppose increasing payroll taxes from 6.2 percent to 6.7 percent. The narrow (and shrinking) margins by which Americans oppose the tax hike, however, suggest that public opposition is certainly not lopsided or one-side.

On the other hand, the conventional wisdom is wrong that tax hikes for the concrete purpose of strengthening Social Security is off the table in the public's mind. Social Security actuaries estimate that raising the ceiling on earnings subject to the payroll tax would bring in sufficient additional tax revenue to eliminate 68 percent of the anticipated Social Security revenue shortfall over the 75-year forecasting period (Social Security Advisory Board, 1998). Table 7 shows that sizeable majorities of about 60 percent favored “collecting taxes on earnings up to \$100,000 per year, instead of the [then] current cut-off of about \$72,000.”

Reducing benefits versus raising taxes. When the public is forced to wrestle with the trade-offs facing policymakers, they prefer tax hikes to benefit cuts. Princeton Survey Research Associates put respondents in the bind of choosing between “avoiding any tax increases for workers and employers, or avoiding any future cuts in Social Security benefit accounts.” Table 7 shows that solid majorities of between 53 and 59 percent choose avoiding benefit cuts; only a distinct minority of a third most preferred to avoid tax increases. When Americans are forced to make tradeoffs, there is little doubt that they prefer – by a substantial margin of 20 percentage points – to swallow tax hikes in order to avoid benefit cuts.

The Public’s Signals to Policy Makers Designing Reforms

The public’s attitudes toward Social Security reforms provide a set of green, yellow, and red lights to policy makers. The public is sending red signals of opposition on what many policy makers consider to be starting points for reform – raising the normal retirement age and reducing COLAs. The history of public opinion suggests that this opposition has not been rigid; when presented with a clear rationale and payoffs, the public actually supported a gradual increase in the normal retirement age prior to the last major round of Social Security reform in 1983. The public’s red lights defy simple partisan categories: Americans oppose proposals embraced most enthusiastically by Republicans to privatize Social Security fully or partially (when informed about financial costs and market risks) as well as the proposal preferred by many Democrats – increasing payroll taxes. The public is flashing a cautionary yellow signal to policy makers on increasing the age of early retirement; this may be an area where broad agreement among policy makers and clear information could well influence public thinking.

It is wrong to assume that the public is opposed to all forms of reform; it does provide welcoming green lights to policy makers. The public supports reducing benefits to the affluent and it accepts raising the base on which payroll taxes are paid, preferring tax increases over benefit reductions. The public also prefers by a wide margin supplemental savings accounts as a means for investing in stock and bond markets.

Responding to Public Opinion and Responsibly Making Social Security Policy

Policy makers often rest their proposals for reforming Social Security on a set of calculations or expectations about how Americans evaluate and think about the program. These expectations are often passed along – like a well-worn family antique – from one policy maker to another until they assume the mantle of accepted truth. Rarely, however, are these presumed truths compared to hard data on public opinion. We closely examined three working hypotheses that are often invoked by policy makers and have found them to be contradicted by a large body of hard data. Some of the most widely cited claims about public opinion are wrong or distorted: public confidence is higher in 2000 than it had been in a decade and has risen by 15 percentage points from the time of the last survey in 1998; public support is extraordinary high and unwavering; and the public supports a range of pragmatic incremental reforms aimed at strengthening the existing Social Security system rather than altering its basic structure. Claims that structural reforms involving the introduction of privatization are necessary to respond to low and declining confidence are wrong; an exhaustive analysis of hundreds of independent surveys finds no support for them.

If government officials repeatedly erred in their analysis of fundamental financial or program arrangements related to Social Security, they would be publicly challenged by

colleagues and journalists and forced to correct their statements. It is high time for journalists and others to hold policy makers accountable: policy makers should be asked to offer evidence to support their claims about public opinion, and journalists and others should test these claims against independent evidence.

The implication that policy makers ought to listen to public preference on critical policy issues like Social Security is not widely accepted in Washington, though large majorities of Americans hold this view (Jacobs and Shapiro, 2000). In particular, the public's policy preferences are often criticized by policy makers and pundits for irresponsibly favoring inaction in the face of pressing policy matters that demand remediation. On Social Security, however, the public supports a series of policy reforms that are often mentioned by experts as options on the policy menu – from a supplemental market approach outside of Social Security to raising the base on which payroll taxes are paid. The challenge is whether policy makers are willing to respond to the public's preferences or whether Democrats and Republicans will substitute their own preferences and those of their supporters.

The fundamental question is: Will Social Security policy making follow the direction seen in a number of policy areas of declining government responsiveness to public preferences? Fundamental changes in American politics over the past two decades or so have reversed the myth that politicians “pander” to public opinion by tailoring their decisions to polls. The influence of ideologically-extreme party activists, campaign contributors, interest groups, and other forces have increased, raising the risks to policy makers who defy the preferences of these forces in an effort to respond to what majorities of Americans prefer. A quick list of policies on which government officials defied large

majorities of Americans would include impeachment, tobacco legislation, and elimination of the marriage penalty. Two or three decades ago when these new forces in American politics were less influential, policy makers were more responsive to public opinion. We find a much different situation today than in the past: Instead of polls and public opinion driving many policy decisions, these decisions drive the public opinion research to identify the words, arguments, and symbols that seem most likely to manipulate public opinion to support what policy makers and their supporters most desire (Jacobs and Shapiro, 2000).

There are clear political risks of adding Social Security reform to the growing list of policies on which policy makers have defied public opinion. Republican insistence on privatization proposals in the face of harsh opposition by Democratic members of Congress, who will undoubtedly invoke Americans' genuine reservations about its costs and risks, could recreate the kind of devastating political backlash that Clinton suffered in the 1994 elections after his health care reform campaign failed (another policy proposal that defied important aspects of public thinking).

On the other hand, Democratic intransigence that repeatedly blocked Social Security reform in the face of Republican leadership that followed the broad contours of public opinion could well neutralize Social Security as a "Democratic issue" on which political Party has traditionally been considered more trustworthy by Americans. One of the defining accomplishments of Bill Clinton was to neutralize what had long been considered by Americans as "Republican issues" such as "law and order" issues and welfare reform.

Table 8 suggests a gradual narrowing of the Democratic Party's advantage over the Republican Party in the public's eye for its job of "protecting" or "dealing" with Social Security. (Some of the questions during 2000 were posed only to likely voters rather than to all adults, but this did not seem to explain the variations in results.)

[Insert Table 8 about here]

During the Reagan and Bush administrations, the Democratic Party's advantage over the Republican Party was a glaring 21 to 34 percentage point gap. The aftermath of Clinton's failure to pass health care reform in 1994 and the Republican landslide in the November 1994 election was that the Democratic advantage shrank to under 10 points. The period that followed the congressional Republicans efforts to shutdown the government saw the Democrats regain some of the public's confidence as the protectors of Social Security but fail to reach the level of dominance during the Reagan and Bush eras. By the summer of 2000, however, Social Security was neutralized as Governor Bush unveiled his proposals for reform. Although the Democrats once again regained some ground during the fall campaign, their advantage was cut in half from its levels during the late 1980s and early 1990s. In short, Democrats no longer monopolize the public's trust as protectors of Social Security; the actions of both parties during the George W. Bush administration will determine whether the Republican President succeeds in stealing a previously "Democratic issue" or if it returns to the Democratic fold.

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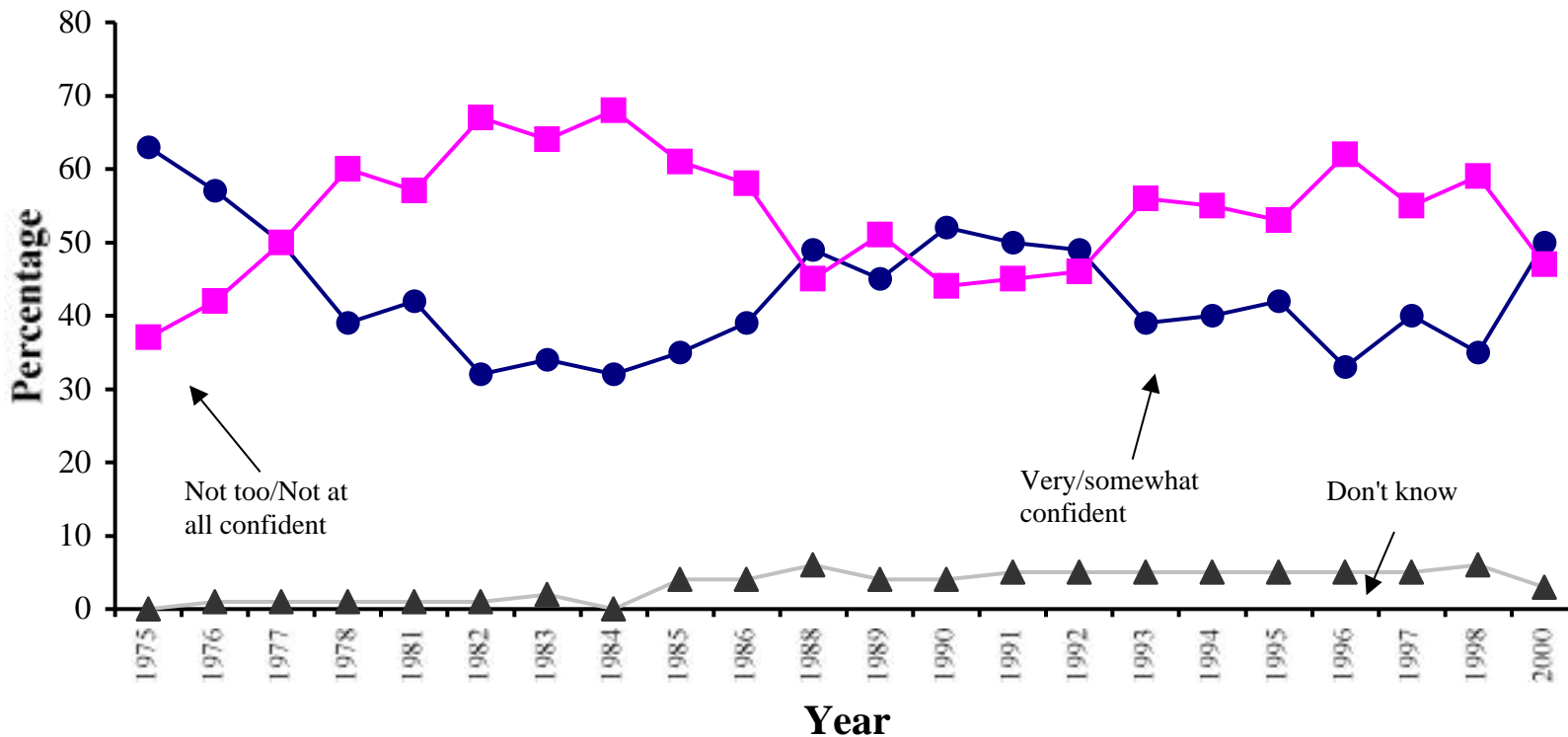
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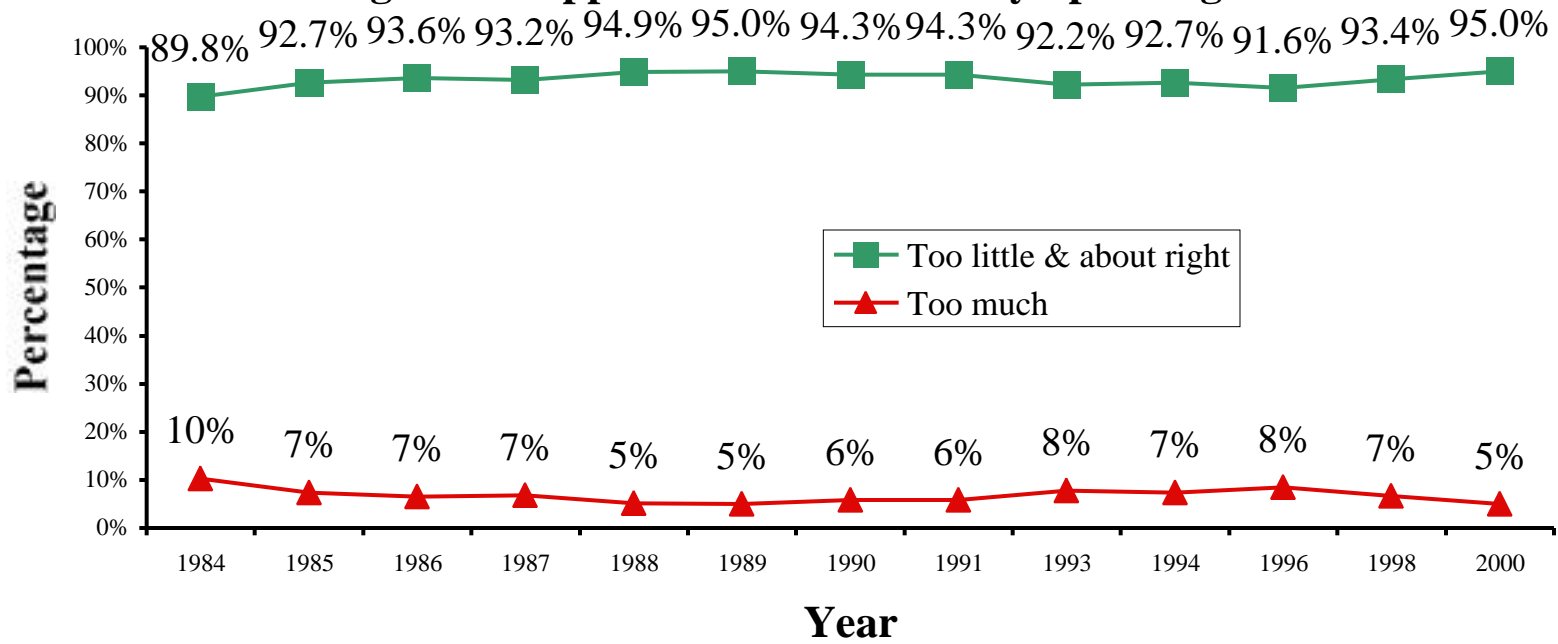
Figure 1. Confidence in Social Security



Sources : A "Monitoring Attitudes of the Public" survey sponsored by the American Council of Life Insurance and conducted by Yankelovich, Skelly and White (1975-1982) and the Roper Organization/Roper Starch Worldwide (1983-2000). More than 1,000 respondents participated in each survey. The question was, "How confident are you, yourself, in the future of the Social Security system? Would you say you are very confident, somewhat confident, not too confident, or not at all confident?"

Note : The question was not asked in 1999.

Figure 2. Support for Social Security Spending



Source : General Social Survey (GSS) data from the National Opinion Research Center (NORC). The question ("natsoc") asked respondents, "Are we spending too much, too little, or about the right amount on Social Security?"

Table 1. UFOs and Social Security Confidence

	% in Survey	
	All Respondents	18-34 Year Olds
<u>1994 Luntz/Siegel & Third Millennium¹</u>		
Social Security Will Exist in Retirement?		
Yes	--	28
No	--	63
Don't Know Refused	--	9
Do UFOs Exist?		
Yes	--	46
No	--	43
Don't Know Refused	--	11
<u>1997 Employee Benefit Research Institute²</u>		
Greater Confidence?		
Receive Social Security	71	63
Alien Life Exists	26	33
Don't Know/Refused	3	4

¹ The Third Millennium survey was conducted from September 8-10, 1994 by Luntz Research Companies and Mark A. Siegel and Associates. A total of 500 18-34 year olds were interviewed to get the "Generation X" perspective on Social Security. The Social Security question was the sixth item and the UFO was asked as the fourteenth item. The question for the Social Security was, "Do you think Social Security will still exist by the time you retire?" The question for the UFO item was, "And one final question, and I ask you to take this seriously--Do you think UFOs exist?"

² In July 1997, Matthew Greenwald and Associates conducted the Retirement Confidence Survey for the Employee Benefit Research Institute and American Savings Education to compare beliefs about the existence of Social Security and UFOs in the same question. In their survey of 18 to 34 year olds (N unavailable), the question asked, "Which do you have greater confidence in...receiving Social Security benefits after retirement or that alien life from outer space exists?"

Table 2. Perceptions of Problems with Social Security

Perceptions of SS Problems	% in Survey			
	March 1998	Aug. 1998	Feb. 1999	May 1999
Degree of Trouble with System¹				
Major Trouble	55 %	49 %	53 %	57 %
Minor Trouble	29	31	31	29
Secure and Solid (No Trouble)	10	12	10	9
Don't Know / Refused	6	8	6	5
Size of Changes Needed²				
No Changes	7	5	3	5
Small Changes	30	30	30	32
Big Changes	57	58	61	58
Don't Know / Refused	6	7	6	5
If No Changes, What Happens³				
Run Out of Money	32	34	34	32
Pay Less than Half Benefits	37	32	32	36
Pay Three-Quarters Benefits	12	11	10	12
Pay Full Benefits	9	13	13	10
Don't Know / Refused	10	10	11	10
Reason for Upcoming Trouble⁴				
Gov't Spent SS Reserves	45	47	41	43
More Retirees than Workers	26	26	32	26
Cost-of-Living Too High	12	10	10	11
Wealthy Get Benefits	6	6	7	8
Retirees Get Too Much	5	5	6	6
Don't Know / Refused	6	6	4	6

Source : Princeton Survey Research Associates. N=1,200 for 3/98 and 7/98. N=1,000 for 2/99. N=1,001 for 5/99.

Note : Percentages do not always sum to 100% due to rounding.

¹ "Some people now think the Social Security program is heading for financial trouble in the future, while other people think the program is basically secure and solid. What is your view? Do you think Social Security is headed for major trouble, minor trouble, or do you think the program is secure and solid?"

² "Which of the following comes closest to describing what you think is needed to keep the Social Security program out of trouble in the future? Do you think this program needs no changes, small changes, or big changes?"

³ "If no changes are made to the Social Security program over the next twenty years, what do you think will happen? Will Social Security...." The N for this question was 628 in 7/98, 502 in 2/99, and 508 in 5/99.

⁴ "And, which of these do you think is the main reason the Social Security program might be headed for financial trouble? [The choice categories were as follows:] The government has spent the Social Security reserves for other programs; the number of older people is growing faster than the number of workers; the cost-of-living increases are too high; even people who could afford to live comfortably on their own get benefits; most older people get more money than they paid in; none of these [volunteered]; don't know/refused."

Table 3. Support for Social Security Partial Privatization When No Risks are Considered

	% in Survey		
	Favor	Oppose	No Opinion/DK
March 1996 ¹	72 %	13 %	15 %
June 1996 ²	69	15	16
June 1996 ³	74	13	13
April 1998 ⁴	80	16	4
April 1998 ⁵	66	20	13
April 1998 ⁶	76	20	4
May 1998 ⁷	64	32	4
June 1998 ⁸	69	20	11
December 1998 ⁹	74	22	5
July-Sept. 1999 ¹⁰	70	22	8
January 2000 ¹¹	62	33	5
May 2000 ¹²	64	31	5
May 2000 ¹³	53	38	9
June 2000 ¹⁴	65	30	5
June 2000 ¹⁵	51	36	13
Sept. 2000 ¹⁶	59	37	4
Sept. 2000 ¹⁷	53	39	8
Oct. 2000 ¹⁸	66	30	4
Oct. 2000 ¹⁹	58	35	8

1 PUBLIC OPINION STRATEGIES for the Cato Institute, 3/27-3/31/96, N=800. National registered voters likely to vote only. The question was, "Now that you have heard all six parts of the new proposal to change the Social Security system, do you favor, oppose, or have no opinion of the entire plan, or would you like me to read the key points of the plan to you again before you make a decision? (Read plan only if respondent asks.) People would be allowed to keep and invest the amount they now pay in Social Security taxes to save for their own retirement. You would decide how to invest the money, with some restrictions to limit very risky investments. Money could not be drawn until retirement and any money left in your account when you die becomes part of your inheritance. There will be no reduction in benefits for current Social Security recipients. People under age 65 years old but over age 18 would have the choice of staying in the current Social Security system or moving to the new privatized system. Those choosing the new system will receive some partial benefits under the old system. (If favor/oppose, ask:) Would that be strongly (favor/oppose) or just somewhat (favor/oppose)? (If no opinion, ask:) Which way do you lean? Do you lean to favor the proposal or do you lean to oppose the proposal?"

2 PUBLIC OPINION STRATEGIES for the Cato Institute, 6/12-6/16/96, N=800. National registered voters likely to vote only. The question was, "Now that you have had an opportunity to hear more about Proposal B (to change the Social Security system), the proposal that would allow you to invest your Social Security taxes into your own personal retirement account like an IRA (Individual Retirement Account) or 401K, do you favor, oppose, or have no opinion of the proposal? (If favor/oppose, ask:) Would that be strongly (favor/oppose) or just somewhat (favor/oppose)? (If no opinion, ask:) Which way do you lean? Do you lean to favor the proposal or do you lean to oppose the proposal?"

3 PUBLIC OPINION STRATEGIES for the Cato Institute, 6/12-6/16/96, N=800. National registered voters likely to vote only. The question was, "Now that you have heard all seven parts (people would be allowed to keep and invest the amount they now pay in Social Security taxes to save for their own personal retirement, you would decide how to invest the money with some restrictions to limit very risky investments, money could not be drawn until retirement, any money left in your account when you die becomes part of your inheritance, there will be no reduction in benefits for current Social Security recipients, people under age 65 years old but over age 18 would have the choice of staying in the current Social Security system or moving to the new privatized system, those choosing the new system will receive some partial benefits under the old system) of the Proposal B (to change the Social Security system), do you favor or oppose, or have no opinion of the entire plan, or would you like me to read the key points of the plan to you again before you make a decision? If favor/oppose, ask:) Would that be strongly (favor/oppose) or just somewhat (favor/oppose)? (If no opinion, ask:) Which way do you lean? Do you lean to favor the proposal or do you lean to oppose the proposal?"

4 I.C.R. SURVEY RESEARCH GROUP for Associated Press, 4/27-4/31/98, N=1,012. The question was, "I'm going to read some proposals that have been made for changes in the Social Security system. For each proposal, tell me whether you favor or oppose it.... Letting workers shift some of their Social Security tax payments into personal retirement accounts that they would invest on their own."

5 AMERICAN VIEWPOINT NATIONAL MONITOR SURVEY, 4/98, N=1,000. The question was, "As you may know, each year there are more and more retirees collecting Social Security benefits and fewer workers whose payroll taxes fund the system. In fact, by the year 2012, the government will be paying out more Social Security benefits than it is collecting in payroll taxes and if nothing is changed, the system will go broke by the year 2029. As you may know, workers are now required to contribute 12.5% of their income to Social Security. Would you favor or oppose changing the formula so that they would continue to pay the same amount toward their retirement but just 10.5% would go to Social Security and the other 2% would be used by workers to invest in their own private retirement accounts? (If favor or oppose, ask:) (Is that strongly favor/oppose or somewhat?)"

6 YANKELOVICH PARTNERS INC. survey for Time/CNN, 4/8-4/9/98, N=1,011. The question was, "Do you favor or oppose allowing Americans to put a portion of their Social Security taxes into a personal savings account to be used for retirement?"

7 CHILTON RESEARCH SERVICES/HARVARD UNIVERSITY, 5/6-5/10/98, N=1,014. The question was, "(I am going to read you a list of some ways that have been suggested to deal with the future financial problems of Social Security. For each one, please tell me if you would favor or oppose such a proposal.) How about... people having individual accounts and making their own investments with a portion of their Social Security payments?"

8 PRINCETON SURVEY RESEARCH ASSOCIATES , 6/4-6/8/98, N=1,012. The question was, "Generally, do you favor or oppose this proposal (which would allow Americans to put a portion of their Social Security taxes into a personal savings account to be used for retirement)?"

9 ASSOCIATED PRESS, 12/2-12/6/98, N= 1,006. The question was, "(I'm going to read some proposals that have been made for changes in the Social Security system. For each proposal, please tell me whether you favor it or oppose it.)... Letting workers shift some of their Social Security tax payments into personal retirement accounts that they would invest on their own."

10 PRINCETON SURVEY RESEARCH ASSOCIATES , 7/14-9/9/99, N=3,973. The question was, "Generally, do you favor or oppose this proposal (which would allow Americans to put a portion of their Social Security taxes into a personal savings account to be used for retirement)?"

11 GALLUP ORGANIZATION, 1/13-1/16/00, N=1,027. The question was, "A proposal has been made that would allow or require people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal?"

12 ABC NEWS, WASHINGTON POST, 5/7-5/10/00, N=1,068. The question was, "Would you support or oppose a plan in which people who chose to do so could invest some of their Social Security contributions in the stock market?"

13 OPINION DYNAMICS, 5/10-5/11/00, N=900. The question was, "With regard to Social Security, do you believe it should continue working as it currently does, or do you think people should have the option to invest part of their Social Security contributions themselves?" (Choices were Continue, Option to invest privately, and Don't know).

14 GALLUP ORGANIZATION, 6/6-6/7/00, N=1,059. The question was, "A proposal has been made that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Do you favor or oppose this proposal? "

15 PRINCETON SURVEY RESEARCH ASSOCIATES, 6/22-6/23/00, N=750. The question was, " As you may know, the (2000) presidential candidates have made some proposals to change the or supplement Social Security to help Americans save more money for their retirement. One of these proposals would change Social Security to allow workers to invest some of their Social Security payroll taxes in the stock market. In general, do you favor or oppose this proposal?"

16 ABC NEWS, WASHINGTON POST, 9/4-9/6/00, N=1,065. The question was, "Would you support or oppose a plan in which people who chose to could invest some of their Social Security contributions in the stock market?" (Choices were support, oppose, and no opinion).

17 YANKELOVICH PARTNERS INC., 9/6-9/7/00, N=1,278. The question was, "Do you favor or oppose allowing individuals to invest a portion of their Social Security taxes in the US (United States) stock market? "

18 GALLUP ORGANIZATION, 10/25-10/28/00, N=1,004. The question was, "(Suppose that on election day this year (2000) you could vote on key issues as well as candidates. Please tell me whether you would vote for or against each one of the following propositions.) Would you vote. . . for or against a law that would allow people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks or bonds?"

19 ABC NEWS, 10/28-10/30/00, N=1,020. The question was the same as 16.

Table 4. Support for Social Security Privatization Options

Social Security Policy Reform	% in Survey			
	8/98 ^a	2/99 ^b	3/99 ^c	5/99 ^d
<u>Partial Privatization</u>				
Gov't Invests SS ¹				
Favor	40 %	36 %	38 %	40 %
Oppose	48	53	61	52
Neither / DK / Refused	12	11	2	8
Individuals Invest SS ²				
Favor	52	55	65	58
Oppose	38	37	33	33
Neither / DK / Refused	10	8	3	9
<u>Full Privatization</u>				
Full Privatization Option ³				
Favor	--	--	42	--
Oppose	--	--	57	--
Neither / DK / Refused	--	--	1	--

Note: Figures do not always sum to 100% due to rounding.

^aPrinceton Survey Research Associates (PSRA) data, 8/6/98-8/27/98, N=2,008.

^bNPR/Kaiser Research Associates (PSRA) data, 2/2/99-2/14/99, N=1,000.

^cNPR/Kaiser/Kennedy School Poll (NPR/Kaiser/JFK) data, 3/4/99-3/24/99, N=1,203.

^dPrinceton Survey Research Associates (PSRA) data, 5/3/99-5/17/99, N=1,001.

Question Wording: All PSRA questions began with the following statement: "Now I'd like to get your opinion on some specific proposals for how Social Security might be changed in the future. If I ask you anything you feel you can't answer, just tell me. Do you favor or oppose the following proposals....(INSERT--READ AND ROTATE). Do you strongly (favor/oppose) this proposal, or moderately (favor/oppose) it. The NPR/Kaiser/JFK questions began with the statement: "I am going to read you a list of some ways that have been suggested to deal with the future financial problems of Social Security. For each one, please tell me if you would favor or oppose such a proposal. How about (READ ITEMS)? Do you (favor/oppose) this proposal strongly, or not strongly?" See specific wording below.

¹ PSRA: "Changing Social Security from a system where the money in the trust fund is invested in government bonds to a system where some of the money is invested in the stock market." NPR/Kaiser/JFK: "As a way of dealing with the future financial problems of Social Security, do you favor or oppose having the government invest in the private stock market a portion of Social Security reserve funds, which are currently invested in government bonds? (GET ANSWER, THEN ASK) Do you (favor/oppose) this proposal strongly, or not strongly."

² PSRA: "Changing Social Security from a system where the government collects the taxes that workers and their employers contribute to a system where individuals invest some of their payroll tax contributions themselves." NPR/Kaiser/JFK: "People having individual accounts and making their own investments with a portion of their Social Security payments."

³NPR/Kaiser/JFK: "Allowing workers to take all of their Social Security taxes out of the Social Security system and invest them on their own."

Table 5. Support for Social Security Partial Privatization When Risks are Considered

	% in Survey		
	Favor	Oppose	No Opinion/DK
December 1996 ¹	36	56	8
January 1997 ²	22	61	17
March 1997 ³	35	63	2
April 1998 ⁴	52	41	7
October 1998 ⁵	43	52	5
March 1999 ⁶	44	51	5

¹ YANKELOVICH PARTNERS, 12/11-12/12/1996, N=818. The question was, "Some people favor investing a portion of Social Security tax funds in the stock market because this might lead to higher investment returns. Other people oppose this because this is too risky. What is your opinion? Do you favor or oppose investing a portion of the tax money collected for Social Security in the stock market?"

² HART AND TEETER RESEARCH COMPANIES, 1/25-1/27/97, N=1,002. The question was, "This proposal to allow people to invest Social Security contributions in the stock market also includes an increase in the payroll tax for current employees, as well as an increase in the federal deficit, so that benefits to current retirees also can be maintained. Do you think the benefits of allowing people to invest Social Security contributions in the stock market outweigh these costs of higher payroll taxes and deficits, or do you think the costs outweigh the benefits?"

³ WASHINGTON POST, 3/13-3/23/1997, N=1,309. The question was, "Some people favor investing a portion of Social Security tax funds in the stock market because this might lead to higher investment returns. Other people oppose this idea because they say the stock market is too unpredictable. What is your opinion? Do you favor or oppose investing a portion of the tax money collected for Social Security in the stock market?"

⁴ HART AND TEETER RESEARCH COMPANIES, 4/18-4/20/98, N=1,004. The question was, "One proposal has been made would allow or require people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Some people think that individuals would have more money for retirement if they were allowed to invest and manage some of their Social Security payroll taxes themselves. Others think that it is too risky and could leave some people without adequate money for retirement if the stock market were to decline in value significantly. Do you favor or oppose this proposal?"

⁵ HART AND TEETER RESEARCH COMPANIES, 10/24-10/28/98, N=1,025. National registered voters only. The question was, "A proposal has been made that would allow or require people to put a portion of their Social Security payroll taxes into personal retirement accounts that would be invested in private stocks and bonds. Some people think that individuals would have more money for retirement if they were allowed to invest and manage some of their Social Security payroll taxes themselves. Others think that it is too risky and could leave some people without adequate money for retirement if the stock market were to decline in value significantly. Do you favor or oppose this proposal?"

⁶ HART AND TEETER RESEARCH COMPANIES, 3/4-3/7/99, N=2,012. The question was the same as 5.

Table 6: Preferences Regarding Policy Options to Invest Social Security Funds in the Stock Market

Policy Option	
Allow workers to invest Social Security payroll taxes in the stock market ^{1a}	
Favor	51
Oppose	36
Don't know	13
(Of those who favor) Still favor if it reduces seniors' benefit ^{1b}	
Yes, would still favor	33
Oppose	57
Don't know	10
Invest Social Security trust fund in stock market if risk is involved ²	
Good idea	30
Bad idea	60
Don't know	10

^{1a} PRINCETON SURVEY RESEARCH ASSOCIATES, 6/22-6/23/00, N=750. The question was, "As you may know, the (2000) presidential candidates have made some proposals to change or supplement Social Security to help Americans save more money for their retirement. One of these proposals would change Social Security to allow workers to invest some of their Social Security payroll taxes in the stock market. In general, do you favor or oppose this proposal? "

^{1b} PRINCETON SURVEY RESEARCH ASSOCIATES, 6/22-6/23/00, N= 750. The question was, " you say you generally favor the proposal allowing workers to invest some Social Security payroll taxes in the stock market. Would you still favor this proposal if you heard it might require reducing the Social Security benefits that seniors have? " Note: Registered voters who said they favored the proposal (51% of registered voters) .

² PRINCETON SURVEY RESEARCH ASSOCIATES, 6/22-6/23/00, N=750. The question was, "Some people have suggested investing some of the Social Security trust fund in the stock market, which might make more money for the fund, but would involve greater risk. Do you think investing some of the Social Security trust fund in the stock market is a good idea or bad idea?"

Table 7. Support for Incremental Changes in Social Security

Policy Option	Aug.1998	Feb 1999	May 1999
% in Survey			
Reducing Benefits			
Raise the Retirement Age to 70 Years Old ¹			
Strongly or Moderately Favor	23	24	22
Strongly or Moderately Oppose	74	74	74
Neither/Don't Know	3	2	4
Gradually Increase Early Retirement Age from 62 to 65 ²			
Strongly or Moderately Favor	47	43	46
Strongly or Moderately Oppose	47	52	48
Neither/Don't Know	6	5	6
Lower Cost of Living Adjustment ³			
Strongly or Moderately Favor	34	37	40
Strongly or Moderately Oppose	61	56	53
Neither/Don't Know	5	7	7
Reduce Benefits for the Wealthy (over \$60,000) ⁴			
Strongly or Moderately Favor	54	54	58
Strongly or Moderately Oppose	40	40	37
Neither/Don't Know	6	6	5
Raising Taxes			
Increase Payroll Tax from 6.2% to 6.7% ⁵			
Strongly or Moderately Favor	40	44	44
Strongly or Moderately Oppose	54	50	50
Neither/Don't Know	6	6	6
Raise Earnings Ceiling from \$68,000 to \$100,000 ⁶			
Strongly or Moderately Favor	60	59	61
Strongly or Moderately Oppose	29	28	29
Neither/Don't Know	11	13	10
Trade-offs			
Raising Taxes or Reducing Benefits ⁷			
Avoiding any tax increases	33	32	34
Avoiding any future cuts	55	59	53
Neither/Don't Know	12	9	13

Source : Princeton Survey Research Associates. N=2,008 for 8/98. N=1,000 for 2/99. N=1,001 for 5/99.

¹ "(I'd like to get your opinion of some specific proposals for how Social Security might be changed in the future. If I ask you anything you feel you can't answer, just tell me. Do you favor or oppose the following proposals?)... Gradually raising the age when a person can collect Social Security benefits to age 70 Do you strongly favor/oppose this proposal, or moderately favor or oppose it?"

2 "... Gradually increasing the early retirement age for collecting reduced benefits from age 62 to 6 Do you strongly favor/oppose this proposal, or moderately favor or oppose it?"

3 " . . . Cutting the amount that Social Security benefits go up each year for changes in the cost of living Do you strongly favor/oppose this proposal, or moderately favor or oppose it?"

4 "... Reducing Social Security benefits for people who have retirement incomes over about \$60,000 per year . . . Do you strongly favor/oppose this proposal, or moderately favor or oppose it?"

5 " ... Increasing the payroll tax that workers and employers each pay into the Social Security system from 6.2% to 6.7% Do you strongly favor/oppose this proposal, or moderately favor or oppose it?"

6 " ... Collecting payroll taxes on earnings up to \$100,000 per year, instead of the current cut-off of about \$72,000 . . . Do you strongly favor/oppose this proposal , or moderately favor or oppose it?" (For the question of August 1998, the cut-off was \$68,000.)

7 "People have different opinions how the Social Security system might be changed for the future. We'd like your opinions on what policy makers' priorities should be when they are making decisions about Social Security's future. When decisions about Social Security's future are being made, which do you think is more important. . . avoiding any tax increases for workers and employers, or avoiding any future cuts in Social Security benefit amounts?"

Table 8: The Public's Assessment of Which Party Is More Likely to Make Right Decisions about Social Security

Political period	% in Survey					
	Democrats	Republicans	Both Equally	Neither	DK/No Opinion	
Reagan/ Bush	9/86 ¹	60	26	4	3	7
	1/90 ²	52	31	3	9	4
	4/91 ³	52	29	7	8	4
Clinton collapse	11/94 ⁴	42	36	7	10	5
	6/95 ⁵	35	26	16	15	8
	12/95 ⁶	44	22	14	14	6
After Government Shutdown	10/96 ⁷	36	24	17	15	8
	9/97 ⁸	33	19	18	22	8
	1/98 ⁹	26	15	34	18	7
	1/98 ¹⁰	48	38	3	7	5
	7/98 ¹¹	51	35	3	6	6
	7/98 ¹²	43	37	3	9	9
	7/98 ¹³	28	19	34	14	5
	8/98 ¹⁴	46	30	4	9	11
	9/98 ¹⁵	37	21	25	13	4
	10/98 ¹⁶	44	21	25	6	4
	10/98 ¹⁷	52	29	4	4	11
	11/98 ¹⁸	49	27	6	12	6
	12/98 ¹⁹	48	33	3	9	9
	1/99 ²⁰	51	30	2	4	13
	3/99 ²¹	39	21	23	11	6
	3/99 ²²	52	29	3	8	7
	4/99 ²³	35	23	24	12	6
10/99 ²⁴	56	33	3	4	3	
11/99 ²⁵	49	33	2	3	13	
1/00 ²⁶	49	33	2	7	10	
5/00 ²⁷	48	30	4	5	12	
Bush unveiling of proposals	6/00 ²⁸	40	42	3	6	11
	6/00 ²⁹	38	34	4	13	11
	7/00 ³⁰	43	35	3	5	14
	8/00 ³¹	35	37	4	5	19
	8/00 ³²	48	34	3	2	13
Fall Campaign	9/00 ³³	48	36	3	3	10
	10/00 ³⁴	47	37	2	3	9
	10/00 ³⁵	47	36	4	4	9
	10/00 ³⁶	50	36	2	4	8
	10/00 ³⁷	46	38	3	2	10

¹ ABC NEWS/WASHINGTON POST. 9/18-9/28/86. Asked of registered voters. "I am going to mention a few national problems and issues. Regardless of how you feel about the two parties, I'd like you to tell me which one, the Republican Party or the Democratic Party, would do a better job of handling each particular problem or issue. How about...protecting the Social Security system. Would the Republican party or the Democratic party do a better job?"

² ABC NEWS/WASHINGTON POST. 1/11-1/16/90. "Which political party, the Democrats or the Republicans, do you trust to do a better job...protecting the Social Security system?"

³ ABC NEWS/WASHINGTON POST. 3/1-3/4/91. "Which political party, the Democrats or the Republicans, do you trust to do a better job...protecting the Social Security system?"

4 WIRTHLIN GROUP. 11/9/94. "Now I am going to read you a list of issues. This time I want you to concentrate on the two major political parties, and as I read each one, please tell me whether you think the Republican party or the Democratic party can best handle that problem. Protecting Social Security."

5 HART AND TEETER RESEARCH COMPANIES. 6/2-6/5/95. "(When it comes to the following issues, which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?) Dealing with Social Security"

6 HART AND TEETER RESEARCH COMPANIES. 12/1-12/5/95. "When it comes to... dealing with Social Security... which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither."

7 HART AND TEETER RESEARCH COMPANIES. 10/19-10/22/96. "(Let me read you some specific issues.) When it comes to... dealing with Social Security...which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same or neither?"

8 PRINCETON SURVEY RESEARCH ASSOCIATES. 1/9-1/10/97. "Do you have more confidence in the Republican Party or the Democratic Party to deal with problems in the Social Security system?"

9 HART AND TEETER RESEARCH COMPANIES. 9/11-9/15/97. "(Let me read you some specific issues.) When it comes to...dealing with Social Security...which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?"

10 GALLUP ORGANIZATION. 10/27-10/28/97. "(Do you think the Republican Party or the Democratic Party would do a better job of dealing with each of the following issues and problems?)... Social Security"

11 HART AND TEETER RESEARCH COMPANIES. 1/98. "When it comes to dealing with Social Security, which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?"

12 GALLUP ORGANIZATION. 7/13-7/14/98. "In your view, which party would do a better job dealing with the issue of Social Security--the Republican Party or the Democratic Party?"

13 HART AND TEETER RESEARCH COMPANIES. 7/25-7/27/98. "When it comes to dealing with Social Security, which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?"

14 THE TARRANCE GROUP AND LAKE, SNELL, PERRY. 8/24-8/26/98. Asked of national registered likely voters. "(I would like to read you a list of issues that some people from this part of the country have said are important for government to deal with. Please tell me, for each one, whether you have more confidence in--the Democrats in Congress or the Republicans in Congress--to deal with this issue.)... Strengthening Social Security"

15 HART AND TEETER RESEARCH COMPANIES. 9/10-9/13/98. "(Let me read you some specific issues.) When it comes to... dealing with Social Security... which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?"

16 HART AND TEETER RESEARCH COMPANIES. 10/24-10/27/98. "(Of these specific issues, when it comes to the following issue, which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?) Dealing with Social Security"

17 CBS NEWS, NEW YORK TIMES. 10/26/10/28/98. "Regardless of how you usually vote, do you think the Republican Party or the Democratic Party is more likely to make the right decisions about Social Security?"

18 WIRTHLIN WORLDWIDE. 11/6-11/8/98. "(I am going to read to you a list of statements and I want you to concentrate on the two major political parties. As I read each one, please tell me whether you think the Democratic Party or the Republican Party is best described by that statement.)... Guaranteeing Social Security for existing and future recipients."

19 GALLUP ORGANIZATION. 12/4-12/6/98. "In your view, which party would do a better job dealing with the issue of Social Security--the Republican Party or the Democratic Party?"

20 CBS NEWS, NEW YORK TIMES. 1/1-2/1/99. "Regardless of how you usually vote, do you think the Republican Party or the Democratic Party is more likely to make the right decisions about Social Security?"

21 HART AND TEETER RESEARCH COMPANIES. 3/4-3/7/99. "When it comes to... dealing with Social Security ...which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?"

22 ABC NEWS, WASHINGTON POST. 3/11-3/14/99. "Which political party, the Democrats or the Republicans, do you trust to do a better job... protecting the Social Security system?"

23 HART AND TEETER RESEARCH COMPANIES. 4/17-4/19/99. "When it comes to dealing with... Social Security ...which party do you think would do a better job--the Democratic Party, the Republican Party, both about the same, or neither?"

24 ABC NEWS, WASHINGTON POST. 8/30-10/2/99. "And which political party, the Democrats or the Republican, do you trust to do a better job...protecting the Social Security system?"

25 CBS NEWS, NEW YORK TIMES. 11/4-11/7/99. "Regardless of how you usually vote, do you think the Republican party or the Democratic party is more likely to make the right decisions about Social Security?"

26 THE TARRANCE GROUP & LAKE, SNELL, PERRY. 1/3-1/5/00. Asked of likely voters are registered voters who said they are somewhat/very/extremely likely to vote in the Congressional and Presidential elections in 2000. There was an oversample of 250 Hispanics, in addition to the national sample of 1000. Results are weighted to be representative of a national registered likely voters sample. "(I would like to read you a list of issues that some people from this part of the country have said are important for government to deal with. Please tell me, for each one, whether you have more confidence in--the Democrats in Congress or the Republicans in Congress to deal with this issue.)... Strengthening Social Security."

27 THE TARRANCE GROUP & LAKE, SNELL, PERRY & ASSOCIATES. 5/1-5/3/00. N=1,000. The question was the same as 26.

28 THE TARRANCE GROUP & LAKE, SNELL, PERRY & ASSOCIATES. 6/11-6/13/00. N=1,000. The question was the same as 26.

29 PRINCETON SURVEY RESEARCH ASSOCIATES, 6/22-6/23/00. N=750. The question was "Do you have more confidence in the Republican Party or the Democratic Party to deal with problems in the Social Security?"

30 CBS NEWS, NEW YORK TIMES. 7/20-7/23/00. N=953. The question was the same as 25.

31 CBS NEWS. 8/4-8/6/00. N=1,139. The question was the same as 25.

32 CBS NEWS. 8/18-8/20/00. N=1,254. The question was the same as 25.

33 CBS NEWS, NEW YORK TIMES. 9/27-10/1/00. N=1,462. The question was the same as 25.

34 GREENBERG QUINLAN RESEARCH. 10/9-10/10/00. N=1,027(National registered likely voters). The question was " (I am going to ask you something different. I am going to read a list of issues and I want you to tell me whether, overall, you think the Democrats or the Republicans would do a better job with this issue. If you do not know, just tell me and we will move on to the next item.) . . . Retirement and Social Security. Do you think the Democrats or Republicans would do a better job with that? (If Democrats/Republicans, ask:) Would that be much better or somewhat better?" Research Notes: National registered likely voters are registered voters who voted in the 1996 presidential election for president, were ineligible, or too young and they said they will probably vote or are almost certain to vote in the presidential election in 2000.

35 GREENBERG QUINLAN RESEARCH. 10/18-10/20/00. N=1,009. The question was the same as 34.

36 GREENBERG QUINLAN RESEARCH. 10/24-10/25/00. N=998. The question was the same as 34.

37 GREENBERG QUINLAN RESEARCH. 10/30-10/31/00. N=1,016. The question was the same as 34.